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BANNISTER, SAXE

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PLACE:

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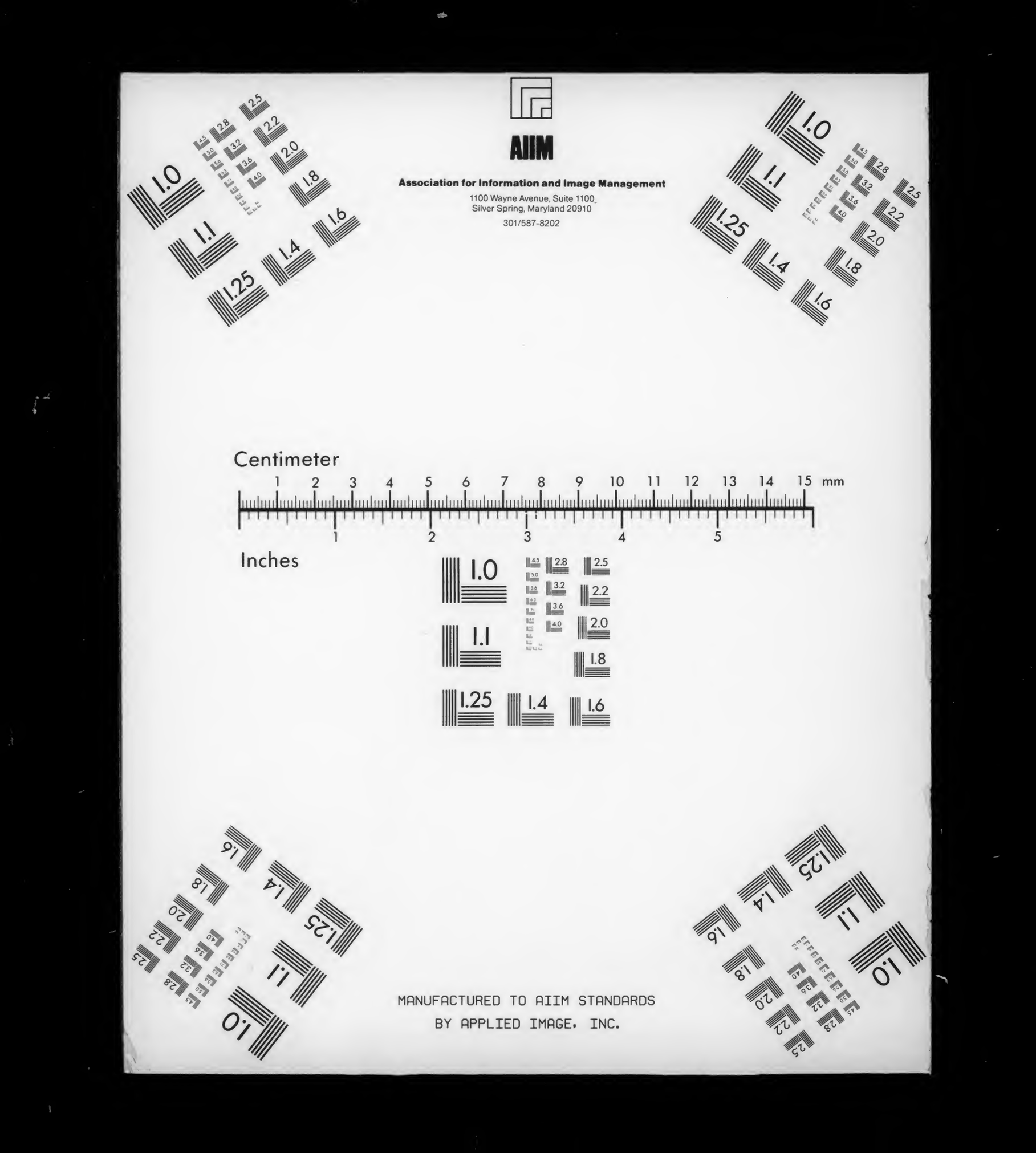
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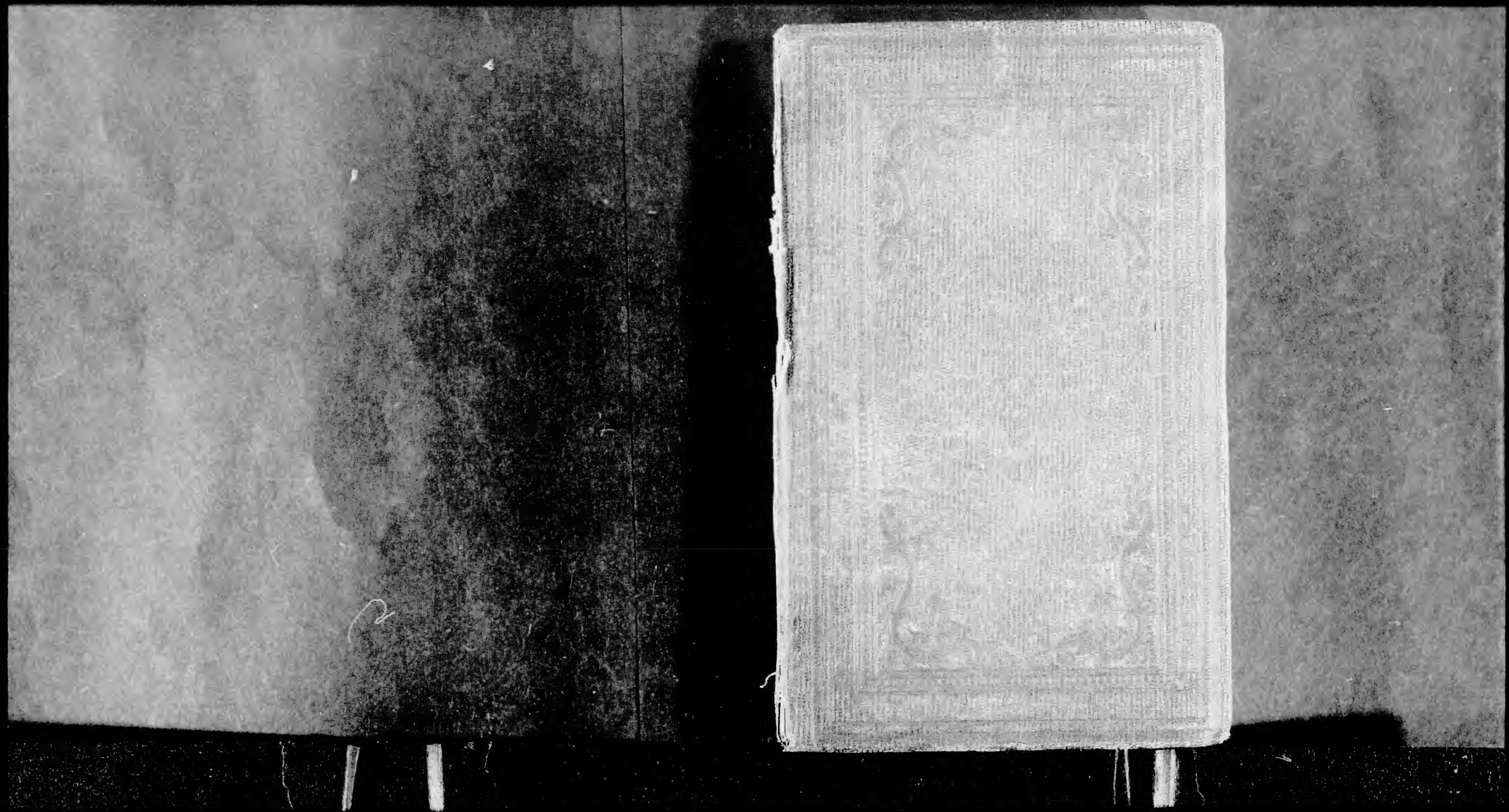

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OME IN THE SCRIPTURES

WILLIAM PATERSON,

THE MERCHANT STATESMAN,

AND FOUNDER OF THE BANK OF ENGLAND:

HIS LIFE AND TRIALS.

BY

S. BANNISTER, M.A.

FORMERLY ATTORNEY-GENERAL OF NEW SOUTH WALES.

"Mr Paterson has great experience, universal travelling, and correspondence, exact observing, and he has made it many years his study and work to lay a design to benefit his native country."—*A Letter from a Gentleman in the Country to his Friend at Edinburgh, folio, p. 7. Edinburgh:* 1696.

EDINBURGH:

WILLIAM P. NIMMO, 17 HANOVER STREET.

M.DCCC.LVIII.

[*The right of translation is reserved.*]

EDINBURGH:
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THIS LITTLE BOOK IS DEDICATED

TO THE MEMORY OF

ELIOT WARBURTON,

THE VICTIM OF A FEARFUL DISASTER.

It is a mourning tribute of respect and friendship, for the intended associate in this endeavour, to raise a fitting monument to a great guide in the world's progress.

From incomplete materials Eliot Warburton sagaciously appreciated the noble character and the genius of Paterson. Early eminent in a special department of literature—that of travel and civilisation—he was, at the time of his awful death, proceeding to the very scene of Paterson's enterprise, in order to promote the revival of that truly heroic design of peace.

Eliot Warburton's good thoughts will not perish with him; and if his anticipation was hasty, that the error of an English king as to Darien can ever be retrieved, we may trust that the broad humanity of the principles of Paterson promulgated in that spot, but meant for mankind, may one day be embraced by all the nations, when the glorious consummation will be, that true religion, wisdom, and justice shall rule the earth, and discords cease.

Eliot Warburton was prepared to recognise merits in Paterson far beyond his own original conception; his life-struggle to break the fetters of trade—to secure all credit upon easy and safe bases—to make industry and intelligence the foundation of well-being—and above all to give legislative union to the whole world-wide British empire, as well as to extend the bounds of that empire by the victories of peace, to the absolute suppression of conquests by war.

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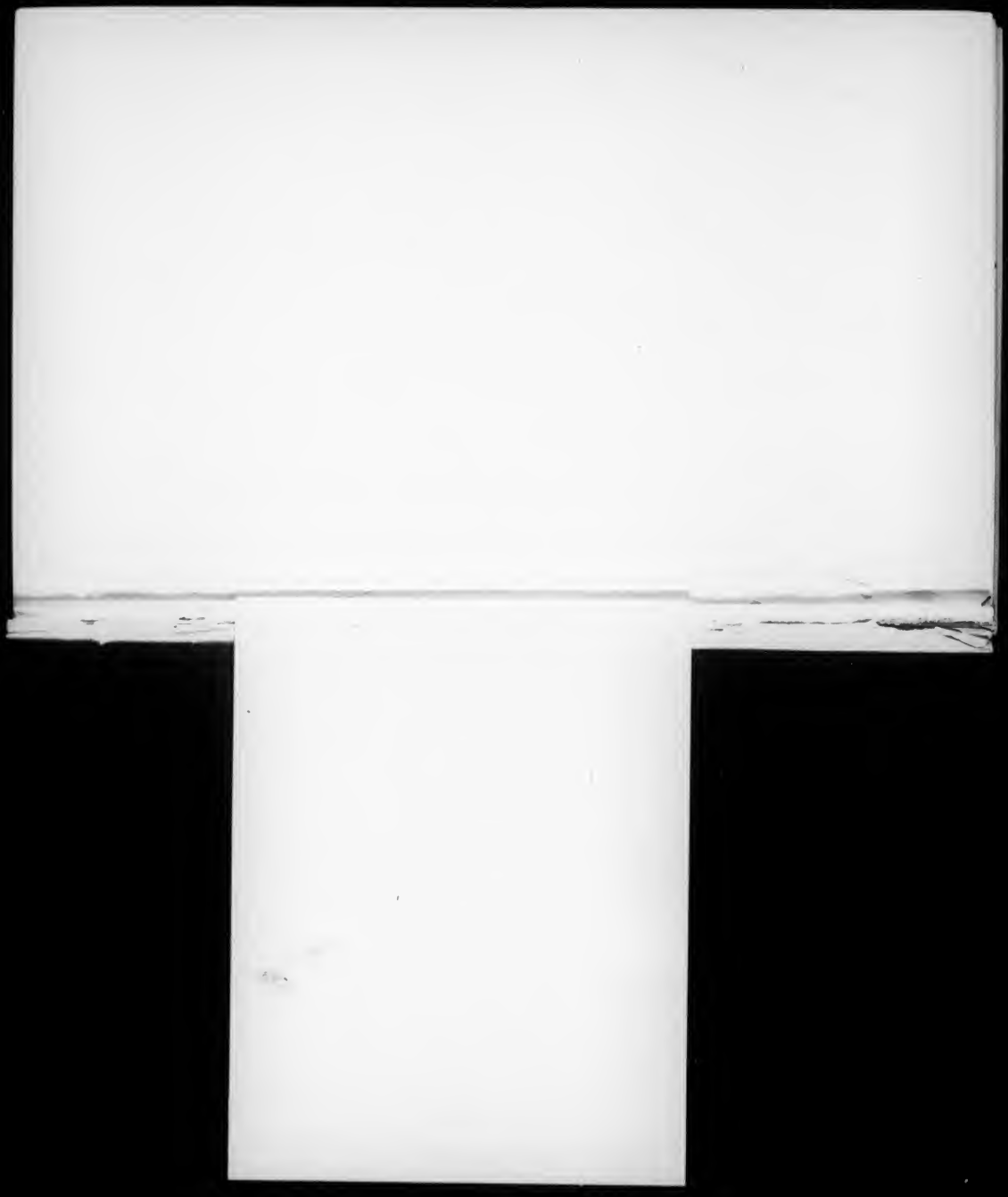
THE FAC-SIMILES

Of Paterson's handwriting may fix the genuineness of other MSS. of his to be hereafter discovered. They also give some insight into his education and character. The first was written in 1695, when, at forty, he had attained substantial success in the great object of his life—the combination of a powerful body in England and Scotland in favour of his trading enterprise beyond sea; and he writes under highly-excited feelings of satisfaction. The second was written when he was in extreme distress in 1699. The third is the signature to his will, in his own handwriting, in July 1718, when he was enabled to bequeath a good fortune to his family. The last, obviously by an enfeebled hand, was written in December of the same year, a few weeks before he died. The letter, to which it is the signature, is in the hand of another; and he was at the time deeply afflicted by the public disasters which he saw coming with the South Sea Company's bubbles, and by the precarious state of the *equivalent* fund, in which the fortune he was bequeathing was invested. His anxiety is strongly marked in his signature. The last fac-simile represents the title-page of a book carefully discussed in Chapters XIII. to XVIII.

ERRATA.

Page 24, line 11, *for* work *read* worth.
— 28, — 6, *for* London *read* England.
— 110, — 15, *for* 80 *read* 83.
— 119, — 28, *for* expect *read* export.
— 128, — 27, *for* ask *read* rest.
— 130, — 13, *for* efficient *read* official.
— 146, — 1, *for* State *read* Scots.
— 300, — 3, *for* cost *read* evil.
— 374, footnote, *for* vol. iv. p. 349, *read* 4to, No. 349.
— 332, line 28, *for* 12,437 *read* 4654.
— 398, — 29, *for* 4654 *read* 12,437.



Your most humble Servt.

M
W. Paterson

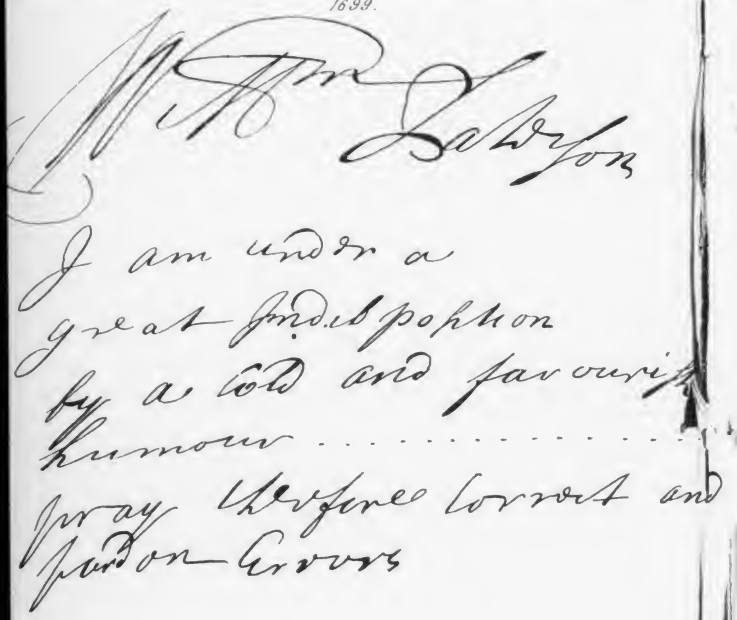
Postscript

The Gentlemen concerned here are sory to use this way of exprossing themselves, but it's only the small effect of what they have hitherto written, as also the danger that the whole Undertaking is in, that prosses them.

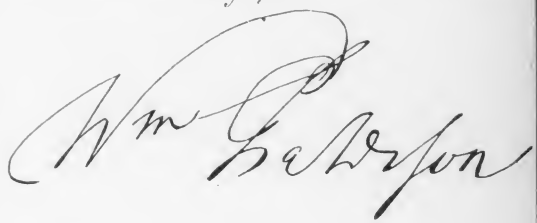
T. W.

PHILOPATRIS.

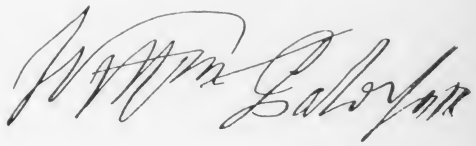
Fac-Simile from an Original Letter in the Advocates Library, Edinburgh.
1699.



Fac-Simile from the Original Will in Doctors' Commons
July 1718.



Fac-Simile from an Original Letter in the State Paper Offi
18th Decr 1718.



Fac Simile of the entry by the Librarian Ruddiman

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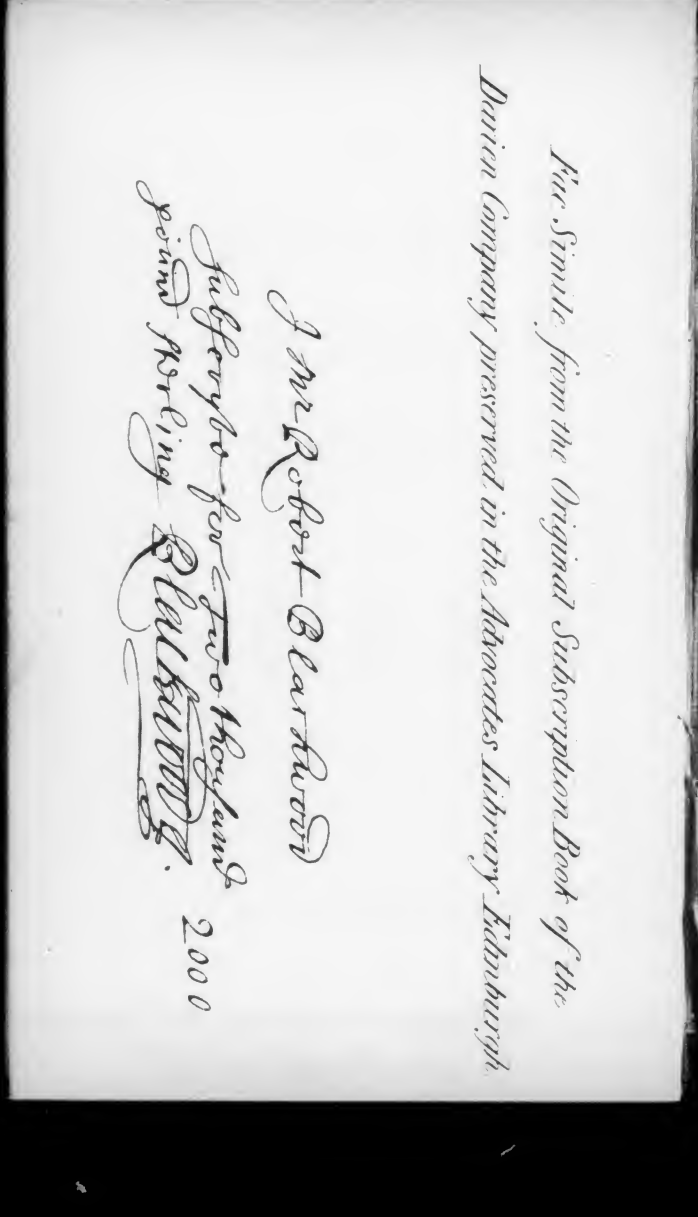
Ex

Libris Bibliotheca
Facultatis Furidica

Edinburgi
1705

PROPOSALS
&
REASONS
For Conſtituting a
Council
OF
TRADE.

EDINBURGH,
Printed in the Year, 1701.



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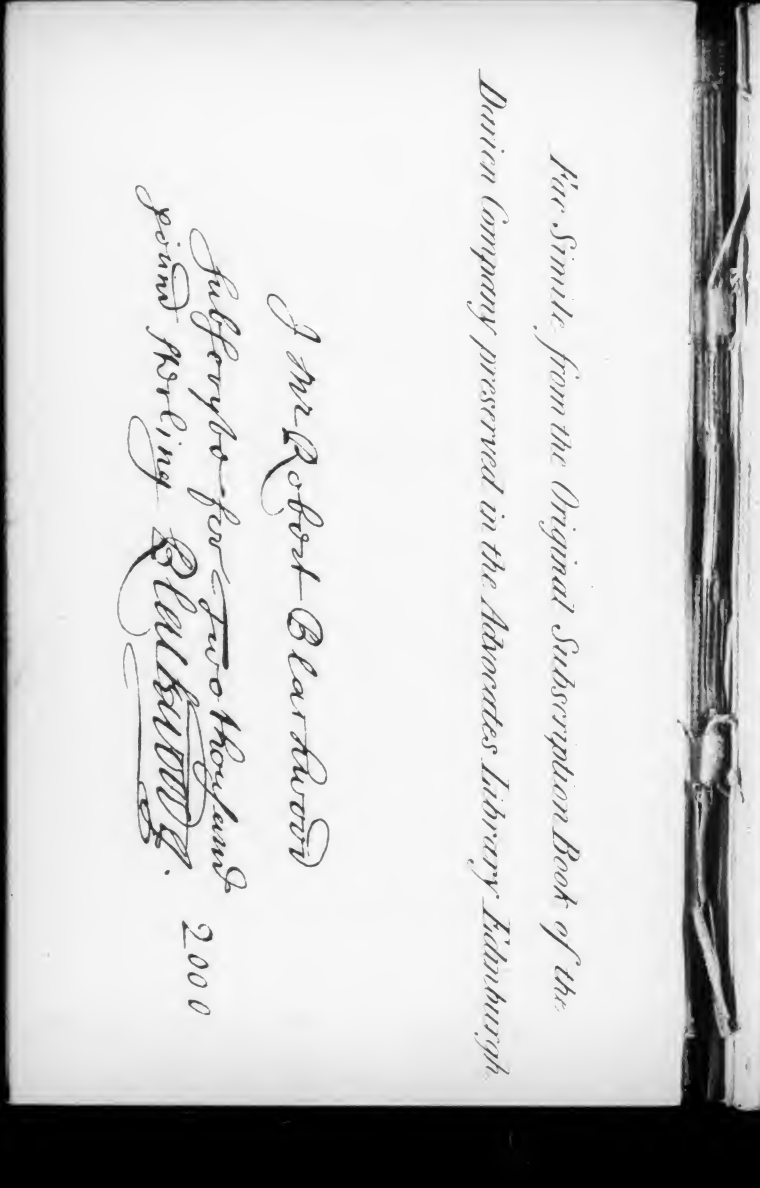
I. The common opinion respecting William Paterson—the acknowledged originator of the most successful of all modern financial institutions, the Bank of England, and of the Colony of Darien, which excited greater hopes and equally merited success—is so vague as fully to justify the words once used about him by an eminent Scottish author. "I have but a *vagrant* notion of my countryman, Paterson," he said, when consulted by the writer of the following memoir,



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before entering upon the task. Indeed, even in Scotland, the country of William Paterson's birth, his story was becoming an obscure tradition, passing away with the departure of the aged persons in whose memories it lingered; and in a century more, this really prominent actor in great social events, might have been quite as much the creature of a popular myth as Prince Arthur, or Robin Hood. For this the way has been laid by unfounded modern conjectures, that he was a buccaneer or a missionary; and already the curious process of transmuting fact into fiction regarding him has been completed in an important particular. In career and character, a celebrated man of Paterson's time, his relative, John Law, of Lauriston—"Mississippi Law"—was the reverse of Paterson in all respects but ability. Their objects in life were as diverse as their dispositions. Nevertheless, in France and Germany, and it is to be feared among ourselves also, numerous votaries of a paper currency, not payable in coin on demand, hold both to have been able united propagators of their doctrine. Nothing, however, is more certain than that Paterson persevered for his whole public life of thirty years in resisting every approach to the principles which distinguish Law's system, as exemplified 150 years ago in the disasters of the Mississippi and South Sea Companies. Nor can any pains be superfluous that shall be well directed to establishing the clear distinction between the wise methods of banking, of mercantile speculation, and finance prescribed by William Paterson, and the reckless proceedings of Law, which led to those disasters here and abroad.

The error, however it may have arisen, and which it may be difficult to account for, is not attributable to absolute neglect. The present is far from being the first time that William Paterson has been held to be deserving of a careful chronicler. The late Mr George Chalmers, of the Board of Trade, began so long ago as in 1782 to collect materials for his biography;* and the work would, doubtless, in Mr Chalmers' hands, have left nothing to wish for either in point of exactness or of copiousness.

Forty years afterwards, a like work was planned by the zealous publisher of the *New Scots Magazine*, Mr Buchanan, and the late Mr Alexander Young of Harburn.† Their excellent views seem to have been founded upon correct information, and it may be hoped their materials are not lost beyond recovery. At that time Sir Walter Scott, in the zenith of his fame and faculties, perfectly appreciated the worth of Paterson, although from a slight acquaintance with his story.‡ If, however, after making the tale his own, Sir Walter Scott had

* MS. collection in the possession of David Laing, Esq., Edinburgh; and "Letters to the Proprietors of the Bank of England," by A. Allardyce, Esq., M.P. 4to. London: 1798, p. 130.

† *New Scots Magazine*, vol. ii., p. 104. 1829.

‡ Sir Walter Scott's "Tales of a Grandfather." Scotland. Vol. iii., p. 229. Edinburgh: 1829.

become its writer, it must have offered, from his brilliant pen, all the attractions of romance with the grandeur of a truthful history of the most momentous period of British annals.

The high-minded, energetic, career of Paterson is marked by the best characteristics of that time; and a brief examination of his chief objects in life will prove them to be of deep interest at the present day. These objects, indeed, justify the strongest eulogy of the man, and furnish sufficient motives for diligently searching out some biographical materials still deficient in the account of his earlier years. There is a family tradition, that a remarkable mother moulded a character that was to be even more worthy of honour than his future great intellectual attainments. It is also believed that the useful elementary Scottish education of that time laid foundations for those great attainments. His youth was cast upon a period, terrible in trials to tens of thousands of the Scots of all ages and of both sexes. Neither the youngest nor the tenderest were spared. Yet they were trials fruitful of salutary results beyond all example in any land—results still in hopeful progress to make up a worthy and a truly great people. William Paterson had full knowledge of these trials, although, by flight in youth, he happily escaped their bitterest infliction; and it was after mature reflection upon the mischiefs of intolerance, that he contributed largely to the political changes of the revolution, which made the

recurrence of those sufferings in Scotland impossible, and that he attempted to set up even a purer social scheme in the new world.

Besides his early training, of which tradition only furnishes highly probable details, two other portions of his adventurous life are obscure—namely, from his exile from Scotland in about 1672 to 1687, during which space of time he was unquestionably gaining mercantile experience in Europe, as well as a considerable fortune in the West Indies; and again, the last six months of his life, in 1718, when a large amount of relief, granted to him by the generous discrimination of his Majesty King George I., and by the slow justice of Parliament, was obstructed through the deplorable success of John Law, for a short period in Paterson's latter years. Till then that more than equivocal personage had been opposed with complete effect by Paterson, both in the Scottish and English Parliaments; but the unfortunate influence Law obtained in England in the first years of the reign of George I. defeated his far abler countryman under circumstances never properly noticed by historians. The earlier incidents here referred to may perhaps be cleared up by the careful inspection of family papers and local records, as those more important later events, involving the career of John Law, are certainly capable of elucidation from state documents and contemporary writings, English, Scottish, and foreign.

But enough is ascertained of William Paterson

from the most accurate sources of information—original instruments under his own hand, and the testimony of those who knew him—to furnish a continuous, intelligible narrative of the last thirty-four years of his life. His two well-known enterprises, the Bank of England, and the Darien Colony, are alone calculated to excite deep interest in their originator; nor would it fail to cause surprise, if the individual to whose agency those works can be traced, really closed his once brilliant career—as it is asserted he did—in poverty and neglect. He was, indeed, no common man. His very early successes, which did not spring from adventitious circumstances, denote his superior intelligence. The Bank of England was perfected through that superior intelligence—not on account of his wealth; for, although then a merchant in good credit, his fortune was moderate, the accumulation of riches never being his ruling passion, well as he recognised their proper value. His admittance as a Bank Director has the same significancy to his honour, inasmuch as the wealthier men of London, his colleagues, were at that time by no means of a temper to be guided by a native of Scotland, unless his intellectual superiority was well attested. He is known to have planned his great colony in Darien, in Central America, with powerful support throughout Western Europe, and as a field of almost cosmopolitan enterprise; not as one peculiarly Scottish, until it was limited to the resources of the Scottish people, in consequence of the hostility

of the English and Dutch privileged companies. Under his vigorous management, the Scots adopted it with unanimity and surprising enthusiasm. He had impressed them and others with the truth of his commercial doctrines; and the William Paterson of Dumfriesshire, who clearly did so much in 1694 and 1695 in those two enterprises, can be identified beyond all doubt with the doer of other things not less important, and be demonstrated to have been the author of valuable books. It is, then, to be safely concluded, that his antecedents and personal qualities were consistent with his great actions, and worthy of no ordinary respect. It would be counter to all experience that an adventurer should, on a sudden, possess, as William Paterson did, the absolute confidence of the Government of England, and of its most prosperous class, at the same time with the enthusiastic attachment of his own people; and maintain his ground under extreme disadvantages to his last hour. Accordingly, diligent inquiry has produced strong proof that, before these great successes in 1694 and 1695, he was eminent as a merchant of London, where he had a share in other useful undertakings; and that he had held a position of singular influence in the West Indies—his occupations there never being said, in his own time, to have been those of a Buccaneer or Missionary.

If, moreover, as in this case is the fact, such individual underwent great vicissitudes of fortune, and from his youth up was exposed to many difficulties,

which he overcame with fortitude, besides producing powerful writings upon matters of deep concern to the welfare of society to this day, our interest in his personal career will be much increased. To these circumstances it is no slight addition, that his fair fame has been damaged by some unfounded reproach, and obscured by a remarkable disregard of the evidences of his story. Whilst there have not been wanting some to perceive that he must have possessed pre-eminent qualities, and some who have perfectly appreciated his merits, other late inquirers into the history of his time, who are entirely unacquainted with his conduct and his writings, look upon his character in a doubtful light. This is partly attributable to himself. Although for upwards of twenty-five years a voluminous writer, all his works were published anonymously. He seems to have thought, like Franklin, that novel opinions are best received when offered upon their merits alone. Being also absolutely free from vanity, he despised self-assertion, under circumstances which are now seen to require explanation, in order to set him perfectly clear of the slightest reproach. One very extraordinary instance may here be mentioned with propriety out of its date. He having notoriously planned the Darien Company, and mainly procured its funds, his appointment as the leader of the first expedition was so much of course, that the general surprise when he sailed with it as an ordinary colonist may be readily understood. The party

of the English minister, then violently opposed to the enterprise, did not fail to notice the fact to his disadvantage, in the common lampoons of the day; but the writers being unaware of the cause, their attacks were vague and without point. The injury done to the expedition, and the deep wound inflicted upon Paterson's feelings by the arrangement made in the conduct of it to his exclusion, are fully disclosed in the correspondence inserted in the proper place. There was, however, a colour for that arrangement; although a document recently discovered in the Advocates' Library in Edinburgh, and given below, proves the Directors of the Company to have made an imprudent decision in their difficulty. The tenor of this document raises William Paterson to the very highest point as a man of unquestionable merit and scrupulous honour. It needed but his own disclosure of the singular circumstances of the case to have secured to him universal applause, so that he must have been placed with acclamation at the head of the enterprise. Yet he patiently bore the undeserved reproach; and, so far as has yet appeared, he trusted entirely to the recorded proof of his integrity, without claiming its publication.

Although, however, it has not been possible to discover clear evidences to his honour in every stage of his active life, no stain is to be found, and enough is established respecting him, to conclude that he was one of those "extraordinary" men who influence their own times, and deserve the respect of posterity.

II. His whole personal case, indeed, as a most striking one of administrative injustice, may be cited with advantage in furtherance of the administrative reformation of which we have a prospect. It was not until he was sinking into his grave that he obtained payment of a large sum of money long due to him for public services; whilst his deliberate exclusion from public employment, when solemnly recommended for it by the very last vote of the last Scottish Parliament before the Union, was an extreme injury to the nation, as well as a wrong to himself. That exclusion of a most able functionary facilitated the waste of millions of the public treasure, and really led to the South Sea bubble. It was in vain that he had before defeated John Law's schemes both in the Scottish and English Parliaments. A corrupt government in Paris enabled that unscrupulous gambler to scatter distress over France; and in London, the Earl of Stanhope, an honest minister, who was, by his own admission, unequal to the duties of his post, rejecting Paterson's principles of finance, yielded to Law's delusions, to his own ruin, and our forefathers' wide-spread enormous injury. Paterson died as this calamity was coming on after he had in vain withstood its advances; and from its consummation, for a period of more than thirty years, his writings and his name are utterly lost sight of by the economists, such as Sir James Stewart, Mr Hume, and even Dr Adam Smith.

Nevertheless, all Paterson's qualities were of the

highest order; and the estimation many of his most distinguished contemporaries held him in, was a genuine and just homage to the grandeur of public measures which he advocated with heroic perseverance. At the same time, his great troubles gave to his career, notwithstanding the uniform sobriety of his deportment, a character approaching the romantic. Curiosity about him is excited by the above-mentioned fact, that, a few years after his decease, he disappears almost as completely from observation as if he had never existed, not to say as if he had been obscure in his own time when he really was "illustrious;" to use a term applied to him, with perfect propriety, by a recent Scottish historian.* This strange eclipse befell one, who, by superior intelligence, alone founded a noble system of banking still unrivalled—whose pen produced works of great practical value—who materially promoted the best political measure ever carried out peacefully in these islands, the Union of 1706—who planned with success a real sinking fund, that at no distant day will be the sheet-anchor of our public finances, and the best protection of our industry; and who boldly advocated, and almost worked out, with the support of all Scotland, an excellent system of colonisation, colonial government, and free trade, that would have displaced wars and conquests.

Of the several great topics Paterson's name may

* The History of Scotland, from 1689 to 1745. By John Hill Burton. London: 1853, vol. i., p. 284.

justly be associated with—banking, currency, the national debt, commerce, colonies, and the peaceful extension of a people's greatness—it is hard to say which is the most advantageously to be illustrated by the study of his life and writings. Certain it is, that the difficulties and embarrassments at this very moment belonging to them all, would be immeasurably lessened if his principles were better understood and acted upon; and very curious historical incidents may be adduced to explain how, with influence so extraordinary as he once possessed on these heads, we have now to bring the record of those principles out of forgotten books and a neglected story.

III. The original germ of his ideas upon finance, and banks settled upon a subscribed capital, may be traced without difficulty. In his last book, "The Wednesday Club Conferences of 1717," he states, that in 1691 he proposed to the Government the method of meeting the urgent want of money for the war in support of the revolution, which the Bank of England carried out. In 1693 "Mr Paterson" is mentioned in the journals of the House of Commons, as appearing before a committee on behalf of capitalists of London, to offer money for the public service upon Parliamentary security, with the new condition, that their bills, *payable in coin on demand,* should be made transferable without indorsements. Next year, 1694, the Bank of England was formed

upon like bases; and William Paterson was one of the first directors. The identity is complete. In the meantime a warm controversy was carried on between Dr Hugh Chamberlen, one of the numerous projectors who then advocated paper-money, or transferable bills *not payable in coin on demand,* and a powerful writer of tracts, who may be reasonably conjectured to have been Paterson. The proof of this must, however, be admitted to rest on the style and principles of the tracts; of which specimens are hereafter furnished for the reader's judgment. In 1691 he had proposed means for restoring the coinage to its proper standard; but his advice was not taken, and ultimately the measures adopted on that head with great ability by Mr Montague, afterwards Earl of Halifax, were far less economical, and even less effectual than the plan proposed by Paterson. On that occasion, in 1696, the Bank of England, the direction of which he had quitted, was compelled by mismanagement to stop. The stoppage was the more serious as it took place pending the difficulties respecting the coin; and the value of the bank notes sustained a great fall, since the credit of the bank itself was weakened. At this juncture two powerful letters were addressed to Mr Locke, supporting his famous opinions against lowering the standard of the coin, as proposed to the Treasury by Mr Lowndes; but with a remarkable addition respecting the duty of the Bank of England at this crisis—a topic Mr Locke does not touch upon.

The style of these admirable letters is somewhat more terse than Paterson's better authenticated writings, but in all other respects they may be safely attributed to him.

The discredit of the coin from its being clipped or worn, and the discredit of the bank notes in consequence of the refusal of payment in good coin on demand, are the same thing, says the writer: and he insists that the proprietors of the bank, and the directors, have only one course open if they would be safe. They must pay the amount of their notes in coin on demand, whatever it might cost them. The lesson and its grounds are of universal application, and not less applicable in 1858 than it was in 1696.

"The usefulness of bank notes to the public, that which first gave them the nature of money among us," says Mr Locke's correspondent, "was founded in credit. That credit rose from the knowledge men had of their fund, and an opinion both of the capacity and integrity of the managers of it. Whilst their management answered men's expectations, by a current compliance upon all demands, with their engagements, their credit remained entire, and their bills were reputed good payment. When they faltered in their payments, whether from impotency or ill management, that failure in the performance of their promises was a disappointment to those that depended upon them, and thereupon their bills became of less esteem than they had been before.

They were really less in value, for they answered not the end that they were given out for. Something of the nature of money they still retained, because the security of the fund upon which they were established gave them a real value, though diminished; that is, they became a new species of clipped money among us.

"Now the only cure of clipped coin of any sort consists in the reduction of it to its first standard; and all paper money, that of the bank as well as that of any particular person, must either be reformed, as our coin has been, by reducing it to its standard, or England will never be at ease.

"If the necessity of reforming paper money be clear, can any one doubt of the manner of it? Was it not a legal security, confirmed by a settled course of payment upon demand when due, that converted paper into money? Was it not the faltering in their payment which diminished its value, and made it become clipped money? Can anything but a return to the first settled course of ready payments restore its value? Is not that the standard to which it must necessarily be brought back? Will any other artifice, will any indulgence to the coiners or subscribers of paper-money, do any manner of good to the nation? Or would they be indulged at the price of the nation's suffering? I thank them kindly. If so, I am sure they deserve no indulgence at all. But I hope better things of them. Though they have been stunned with the blow that lately

hit them, yet the symptoms do not appear mortal. It is not impossible that they may return to their senses, and act as becomes men.

"But do I not hear some languishing voice, that, on pretence of *absolute impossibility to perform* what I *point at, bespeaks yet longer forbearance and favour?*

"If, indeed, any such voice be heard in our streets, we are there so accustomed to those artful tones that nobody is much touched with them. Therefore, as we usually bid beggars work, so I must still bid those men pay. Let them not be offended with the similitude, for I am far from thinking them in the case of beggars. They are opulent, and can do it. But if I have mistaken, I will not say perverted, their course, let them not disdain advice, though from never so mean a hand.

"They ought, upon the first sense of their distress, to have called in the forty per cent. due from each of their members. This would then have infallibly saved their reputation; but they neglected the opportunity.

"Instead of calling for the forty per cent. then due, they have borrowed twenty per cent. of their members as a favour. If they do no more, I am sure, this is to no purpose.

"*But what shall they do further?*

"Let them keep the twenty per cent., as they have it upon loan; and, besides that, now call in the forty per cent. due to them.

"If they like any other method better to raise so

considerable a sum, or bring it to many of their own bills (which is, or ought to be, the same thing), let them find it out and practise it."

"*But it would shorten, or perhaps ruin, some of their members.*

"Vain subterfuge! Their not doing it does now shake, and threaten manifest ruin to, all England. Besides, too, the suggestion is false. There is to them no such danger. Those that cannot pay now, can, if they please, sell part of what they have, and so make to themselves an honest, which is better than a legal, title to the remainder.

"*But the forty per cent. will do them no good. Four hundred and eighty thousand pounds will fall short of their debt.*

"If this be true, however dreadful it looks, yet methinks £480,000 should stop a gap, and make the remaining creditors easy to them. Let them not banter us with vain objections. If they are honest let them do what they can to pay what they owe. Nobody will then complain. Nay, when they have raised the £480,000, they will thereby have given such a pledge of their integrity to the nation, that every body will return to trust them with their cash as at first; and their latter end will be more glorious than their beginning. This appears to me reasonable to be expected. I desire it, and I believe it."———

It is further urged that the bank must, at the very least, make up their accounts, and after settling the

terms of future payment of their debts with interest, go on with revived credit, or pay nothing but interest, when 'the course of the bills would be stopped,' —perhaps to the advantage of the public.

"As in the stop of clipped silver coins, many hoards were opened, the bank-bills in discredit, being the last sort of clipped money among us, would unlock them all. And then all duty dispersed would abundantly suffice for our commerce, our markets, and our expenses—and make all payments easy."—*August* 31, 1696.

From that time, for several years afterwards, numerous projectors contended for the issue of paper money, by the government, or by banks, either unlimited, or upon complex securities in land, or goods, or payable for the taxes. The best scheme was that of Mr Whately, which turned upon the multiplication of well-guaranteed banks in all large towns; and the most popular, but perhaps the most absurd, was Dr Chamberlen's land banks supported by the interest of the Tories, although to little purpose. In 1705, John Law returned to Scotland from his career of successful gambling through the Continent, and proposed his dangerous paper issue, which the Scottish Parliament regarded as unsuited to the country. He then proposed it to the English ministers to no purpose; and at that time, despairing of success as a financier, offered to raise a body of cavalry to serve the Queen in Flanders, if a pardon were granted him for killing Beau Wilson in a

duel ten years before. Queen Anne's ministers refused two petitions* from Mr Law on this head; and so, perhaps, drove back upon a life of gaming, the energies which might, in Marlborough's campaigns, have led this remarkable man to cease from dissipation, and become a good general. There is a tract of eight pages shewing that Paterson took a decided part in the deliberations, which produced resolutions to adhere to a metallic guarantee for our currency.

It is certain, also, that he was consulted, although to little purpose, by the Lord Treasurer Godolphin in Queen Anne's time. But no evidence has been got to shew that he expressed any opinion at all upon the extension of the Bank's privilege, granted in Queen Anne's reign.

The system of banking, which, reasonably traced to Paterson, is at once safe and convenient, proves of itself that he must have obtained his views upon the subject from experience, confirmed by a most masterly judgment.

IV. His last successful effort in finance was the construction of the Sinking Fund of 1717, still an essential element in our political system, although sorely straitened by the expenses of wars which statesmen are not wise enough to abandon.

The ministers who originally adopted his measure of the Sinking Fund, Lord Townshend, the Earl of

* The original petitions for Mr Law on this matter may be seen in the State Paper Office.

Stanhope, Mr Walpole, and their colleagues, were not disposed to refuse Paterson the credit of his work, although historians have confounded their share in it, and even forgotten his name in tracing its origin. The members of the Stock Exchange, whose business he would have legitimately stopped by the suppression of funds no longer needed when the national debt should be redeemed, recognised his title to the measure clearly enough by having his "Wednesday Club" Dialogues, in which he elaborately developed it, burned in front of the Royal Exchange.

It has been a reproach to William III., that the national debt was created in his reign. The imputation is ill-founded. At all times our sovereigns have incurred debts; and many of them unscrupulously evaded their obligations. It was to the honour of the king, that his Parliaments provided for the payment of his predecessors' borrowings as well as his own. Paterson's profound calculations aimed at a complete redemption of the extraordinary burden of all wars; it being an express part of his financial plans to relieve industry from the interest of public debt, by its immediate discharge in the coming years of peace. He held that the worst bargain the people can make in time of peace, is that which involves the continuance of interest upon war loans instead of paying them off.

Although the success of the Sinking Fund of 1717 was complete, and Paterson, when boldly proposing it, had his reward in the Parliamentary grant of a very large portion of an indemnity he had claimed many years before for his losses in Darien, a new reverse soon afterwards befell him, under circumstances not less melancholy than mysterious. A minister of undoubted honour, Earl Stanhope, abandoned Paterson's enlightened system of finance, and patronised John Law's, to his own ruin and the enormous injury of the nation. The disclosure of the details of the two years' antecedents to the South Sea bubble belongs to Paterson's story. Although he did not live to witness that disastrous event, it may be believed that he saw it was coming; and he certainly experienced, in his own affairs, some of the evils of the crooked policy which characterised John Law's whole career.

V. His Darien Colony, admirable in conception, but marred by opposition on the part of the English Government, revived with a clear prospect of success, when King William's unexpected death again disappointed its founder. It was based upon the largest principles of religious toleration, and social as well as commercial freedom. He then had the great merit of calming extreme irritation in Scotland, and of uniting all parties in a national effort to improve the condition of all classes; and extremely interesting evidence remains of the success with which Paterson had conciliated all in support of his views.

But the value of his efforts on this important subject is not limited to the public interests of his own time. In our prodigious Indian calamity may be seen the most remarkable proof of his sagacity. Complex as the difficulties of British India are, the history of our progress there for the last 150 years, attests the one broad fact of our gradual abandonment of the pure mercantile character which he advocated, for territorial conquests, which he condemned. This change of policy violates the more humane genius of the constitution, and is the more to be deplored, as an active party is eager to apply the principle of aggression to the new, multitudinous world of China.

This principle of conquest, however, which is that of the iron age of the Plantagenets, and opposed to the best means of social progress, as well as to the true basis of our own greatness, has not been adopted even for a time without a severe struggle. By far the most renowned of our statesmen—Lord Chatham, Burke, Fox, and Pitt—led the opposition to it, supported warmly by our ablest writers—Johnson, Adam Smith, and Principal Robertson. They urged its incompatability with the interests of the nation, and that it must subvert the duty of Christian men. The legislature in 1784 solemnly adopted their judgment against territorial conquests; but the statute so passed was not framed with sufficient discrimination, and the good intentions of its authors gradually gave way before adverse influences at the

beginning of the present century. Conquests were then revived, and the solemnly-denounced policy of aggression in India has been maintained ever since with slight checks, so as to shake the public faith in the better cause struggled for by those great statesmen and great writers, and sanctioned by modern legislation and ancient British principles of progress.

As an indispensable means of establishing the wisest system of national progress, Paterson insisted upon the necessity of improved intelligence in all branches of industry—carefully combining the interests of the land with those of trade. For that purpose he proposed an admirable scheme of special libraries of agriculture, commerce, and finance—with a masterly view of every source and issue of wealth, public and private. He gave his own books towards founding such an institution in London, which should now be revived as a fitting monument to his honour.

His religious liberality was a chief excellence of his character, notwithstanding that the times were unfavourable to the display of this spirit. Of the frightful persecutions suffered by the Presbyterians under the Stuarts, he had no small experience; nor was he unacquainted with the cruel intolerance of the ruling Protestants in New England. At the same time, the frantic expulsion of the Huguenots from France was covering Europe and remoter regions with exiles. But Paterson's views, as de-

veloped in the constitution he framed for Darien, carried religious liberality to the widest limits. This is the more remarkable, as it occurred at the same period in which the respectable English founder of a neighbouring settlement in the West Indies, Hoskyn's, expressly shut out Roman Catholics and Jews from the benefits of his charter. Intimate relations with the rich Hebrews of London, and probably Amsterdam and Germany, especially at the period of King William's difficulties in the great French war, taught Paterson the work of this body. They were then also prosperous in the West Indies; so that Mr Warburton's romance of his friendship with a persecuted Jew from Spain, where he probably never was, might, with much correctness, have had another locality. It certainly possesses a foundation on enlightened habits of thought, which that excellent writer has most happily attributed to Paterson.

VI. Another incident is greatly to his honour. He was one of the warmest advocates of the Union. His own early and long continued connexion with England, had convinced him of the utility of the measure to Scotland. This opinion he maintained ably with his pen; and he was employed both in London and in Edinburgh to settle one of the most difficult branches of the treaty, which equitably determined its conditions. Its unpopularity, however, was extreme, especially in the west, his own country; and the people burned the articles in the open market-place in Dumfries. Nevertheless, he was so confident of deserving well of this country by his share in the treaty, as to be a candidate in the Dumfries burghs for a seat in the first United Parliament; and he was elected against one of the most powerful families of the country—the Johnstones. It was, indeed, a double return; and he failed to keep his seat. But perhaps no other man in Scotland could have obtained his partial success under circumstances which rendered an ignominious defeat in the highest degree probable. He well merited the honour, if only by his vast plan of social advancement for Scotland, formed in 1700, under the most difficult circumstances, to the great admiration of his contemporaries. It was not only superior to other measures proposed by some of them of undoubted patriotism, but it anticipated much that powerful associations are at this moment laboriously contriving for the benefit of the whole empire.

It was no slight addition to the value of his plan of popular improvement, that in an age, habitual in excess at the table, he was a pattern of sobriety, of which interesting evidence occurs in the Darien Papers. He had prevailed upon the colonists to abstain from spirituous liquors, and the price of the allowance of rum was to be accounted for in their favour if they would not drink it. Accordingly, among the claims for compensation after the breaking up of the settlement, there is a formal one from a Captain Godon on the plea of his adherence to the wise *temperance* pledge.

Such efforts for the public good of Scotland, with his strenuous support of the Union, and his election for the Dumfries burghs, as a member of the first United Parliament, notwithstanding the unpopularity of the measure, furnish, indeed, large materials for an appreciation of his powers and social standing.

VII. Paterson's acquirements in engineering remain to be noticed. His Scottish education of the period furnished him, at the least, with good arithmetical elements, of which his genius for calculation and construction enabled him to make excellent use. He founded a company, still in existence, to supply the north of London with water from the Hampstead Hills, after he had himself surveyed the ground; and he was treasurer to a similar company in Southwark. There is a tradition that the Westminster improvements of his time, about Queen's Square, where he resided many years, were planned by him, in conjunction with Sir Theodore Jansen. It is also believed that in the period of his extreme distress, after the ruin of the Darien Colony, he taught mathematics in Westminster. In his frequent voyages, such a man could not be unobservant of the ways of seamanship. Accordingly, we find him, when planning the great Central American enterprise, interrupted only by the death of King William, completing his plan with speculations upon nautical improvements.

VIII. It can be shewn clearly that his writings were numerous; and it is conjectured that he was the author of several tracts which cannot be proved to have come from his pen. He always published anonymously. But besides the positive testimony given at the time to the fact of his authorship of the considerable work, the "Wednesday Club Dialogues," several letters and official reports are signed by him, and their style and sentiments are identical with the anonymous writings here attributed to his pen. His sentences are often cumbersome, but his style is sometimes forcible, and his reasoning always clear, with a fulness and variety of illustration indicative of extensive reading, acute observation, and general experience in life.

In the case of the well-known work, the "Proposals of a Council of Trade," which has long been attributed to the pen of John Law, the proofs are numerous and irresistible, that it was written by Paterson.

The wise and practical maxims scattered over Paterson's writings, and exemplified in his own career, give a high notion of his judgment.

There is, moreover, a circumstance in William Paterson's career, which distinguishes him from the most ingenious of *projectors*, in that prolific age of projects, good and bad. Most of them proposed clever schemes, leaving adoptions to others. He was not only great in original design, but he had a marvellous faculty in obtaining the assent of

powerful men to the execution of his plans. His powers of persuasion were really superior to his powers of invention. Thus, after exposing the absurdity of Dr Chamberlen's financial scheme, he gained, in nine days only, the support of the chief capitalists of London to the Bank of London, with large funds, and he was one of its first directors. In as short a time he filled his subscription list for his Darien Company in England and in Holland; and when the Dutch and English shareholders were compelled by the government to withdraw, the whole Scottish people, of all parties, came zealously into his proposals. So not only his writings in favour of the Union of 1706 ably traced its scheme, but what he so traced, became law; and he had personally an extensive share in its preparation and working. The mere force of reason is rarely found so influential, without a single adventitious circumstance of station or colossal fortune to second it.

IX. As his entire freedom from all vindictive feelings, however wronged, relieved him from the common troubles of contention, although it could not disarm the malevolence of the designing whose errors he exposed, his personal case elucidates a matter involving the solution of such difficulties, no less than the improved administration of all our vast affairs at home and abroad, viz., due appointments to the public service. The failure of the Treasury to employ him—the very best man for that depart-

ment—was seriously discussed at the time; and that failure was reprovingly imputed to the pressure upon ministers to give places to inferior men, in return for votes in Parliament. This corruption was then, as it is now, a breach of statute-law, and punishable. In a gross case, in the last century, the Roll was proved before the Peers in aggravation of such a charge, and the accused, a Lord-Chancellor, was heavily fined for his offence. The recent reformation of the civil service is only an improvement in a rule of the ancient constitution looked at from age to age with admiration. In Paterson's time, at the Revolution, it was hoped that appointments of THE MOST WORTHY to the public service would "be the prevailing rule in that their new world," as Lady Rachel Russell told the Attorney-General.* The Revolution, however, left much to be perfected, and the increased power of Parliaments has enabled members to abuse their new influence. Still, the pure principle of the ancient law remains a sure guide in administrative reformation.

X. Without inconveniently anticipating the details of Paterson's story, it is not unfitting to remark, that the mere fact of such a man having to struggle for many years to obtain common justice from the government, tells discreditably to our system of administration, notoriously open to the same reproach to this day. The maxim of law, that

* Lady Russell's Letters. 4to, p. 122.

time spent in this special injustice by the error of ministers does not bar the right to indemnity, saved him from ruin; and his fortunes were at last substantially retrieved by a happy concurrence of events. The accession of George I. placed a sovereign upon the throne both capable and willing to appreciate Paterson's merits. His Majesty understood finance, and loved peace, although he was a brave and skilful general. The party, too, which warmly supported the Hanoverian family, was led by ministers in Lords Halifax and Townshend, who as warmly approved of Paterson's financial views. The premature death of the former peer in 1715, like that of King William in 1701–2, grievously weakened his political position. It was a national loss. Lord Halifax was pre-eminently in the cabinet the leader of the economical party guided by Paterson; and although, notwithstanding this loss, the sinking fund was established in 1717, in defiance of the violent opposition of the monied interest, from that hour the partisans of Lawism grew more and more formidable, until the bursting of the South Sea bubble proved, too late, how dangerous are the unrestrained operations of that interest.

XI. Materials for this memoir have been collected from many stores. The British Museum gave the first manuscripts which suggested the extreme value of Paterson's literary labour long after the date of his supposed retirement from all public interests.

The State Paper Office and the Treasury Papers, preserved at the Rolls, have added greatly to the means of establishing his official history; as the records of the Bank of England and the Parliamentary Journals have afforded many traces of him. The numerous Darien Papers in the Advocates' Library in Edinburgh, and a few rare documents in the Bodleian, in the Library of the City of London, in Guildhall, furnished the best chapters of the work. The libraries of the London Institution, of Sion College, and the invaluable portion of the Manchester Free Library, from the collection of Mr Magens, a banker and writer on finance in the last century, supplied copies of Paterson's best treatises, found nowhere else, and rare tracts. The books of the Hampstead Water Works Company, establish his share in that undertaking; and the record of the Commissioners of Sewers in Middlesex, and of the parish of St Margaret, fix his residence in Westminster nearly twenty years after he has been hitherto thought to have retired in obscurity to Scotland. The books of the Merchant Taylors' Company, with some election lists, prove him to have been a citizen of London from 1681. His will, proved in Doctors' Commons, fixes his birth in 1655; and his decease, in January 1719, is noticed in several of the periodical publications of the time.

The records of Dumfries prove him to have been a friend to the town, and confirm the impressions to be drawn from his election in 1708, as

member of Parliament for that place, that he was born in Scotland; and the same records furnish curious, evidence in the preservation of handwriting identical with his, of other Patersons, inhabitants of Dumfries, believed to have been nearly related to him.

It is in his own county, also, of Dumfriesshire, that those *traditions* have been sought with most advantage. The late lamented Eliot Warburton, so miserably lost in the steam-ship, the *Amazon*, had examined this ground with his wonted ability for his "Darien, or the Merchant Prince." The execution of that charming romance, written in the midst of the scenes of Paterson's youth and probable associations, is a striking proof of what a man of genius can do with slender materials. If Mr Warburton's awful death occasions grief to his numerous friends and admirers, to the writer of this memoir the loss had the special aggravation of depriving him of a more acceptable colleague in the work of appreciating Paterson.

Gaps still remain to be supplied from good sources; and the undeviating courtesy with which the writer's inquiries have been met by the learned keepers of the various repositories he has consulted, leads him to hope that other stores may hereafter be open to him; more especially in Scotland, and among families whose forefathers were actively engaged in the enterprises of which William Paterson may justly be called the pre-eminently distinguished leader.

CHAPTER I.

Paterson's family, birth, and education.

Of the several races that have peopled these islands —Celtic, Anglo-Saxon or German, and Scandinavian —the last is believed to have produced the progenitors of the numerous distinct families bearing the name of Paterson, or names resembling it. They are scattered, not only on both sides of the Borders, but in Ireland, throughout the Colonies, India, and the United States. Paterson's nephew, Dr Mounsey, and his nephew, Dr Rogerson, were among the ablest physicians Russia ever had. They have shewn themselves seldom wanting in the qualities that promote the welfare of individuals or society at large. Their names are known in Scottish theology before the Reformation, and in all departments of literature and science since, but not, except William Paterson, for books of peculiar distinction. They have spread far and wide, in common with their countrymen, and might be curiously followed in all quarters of the globe during the two last centuries; and they have had romantic social alliances, for example, in the case of the grand-daughter of Sir Hugh Paterson—

married, irregularly married, but nevertheless married—to the Young Pretender, whom she too generously released to promote the interests of party. A similar case has occurred in our time, in the case of the lady of this family in Baltimore, whom Napoleon unfeelingly separated from her husband by a *dynastic* divorce. A contemporary of the subject of this memoir, the last Archbishop of Glasgow, John Paterson, was a proud ecclesiastic of commanding eloquence, whose violent counsels seem to have contributed to the ruin of the Stuarts. His family took refuge in England, like many of the Scottish Episcopalians of their time, and his grandson was distinguished by the affectionate confidence of David Garrick, to whom he was executor, along with the Lord Chancellor Camden. He was an eminent solicitor, and held lucrative offices in the city of London. He took an active part in the architectural improvement of the metropolis, as was generously recognised by the votes of the corporation, and borne witness to in his portrait by his friend, Sir Joshua Reynolds. He was a sufficiently active member of the House of Commons to be appointed chairman of the Committee of Ways and Means. His descendants have gained distinction in the service of the East India Company.

William Paterson, however, the subject of this memoir, strenuously combated the opinion, that race, or local influences of any sort, can determine social character, or regulate human happiness. In a forcible passage in his "Wednesday Club Conferences of 1717," he insists that good government, which all races can obtain by strong effort, and which, as he shews by well-read instances, the most diverse races have, from time to time, secured, is the true element given by Providence for the universal benefit of mankind.

However that may be, his own example does honour to the name he bore, and to human nature, without distinction of race or nation.

A strong tradition in Dumfriesshire fixes his birth in that county; and although no baptismal registry exists for the parish where it has long been popularly held he was born, the minister of that parish in the last century gave in a formal statistical report * about it—the farm, *Skipmyre*, in Trailflat, anciently annexed to Tinwald, as the residence of Paterson's father and mother, where he was born. The same farm has for generations been pointed out as the birth-place of "the founder of the Bank of England;" and the house itself was pulled down within a few years only.

The time of his birth can be settled exactly from his will, in which he states himself to be at its date, the 1st of July 1718, sixty-three years and three months old; which refers his birth to March or April 1655.

The condition of his parents was that of the wealthier tenants of the period; and his father ap-

* Sir John Sinclair's Statistical Account of Scotland, vol. i. p. 165. 1791.

pears to have also possessed lands of his own, at some distance from the farm held on lease.

How and where he was educated cannot be stated. But the tradition is positive that his original destination was the ministry in the Kirk of Scotland; and it is known that boys in his condition, so destined, were at that time well instructed at the country schools of the south of Scotland, in grammar, writing, arithmetic, and some Latin. The curious arithmetical work a little later, by another Paterson, with the like productions that might be specified, seem to shew the prevalence of a taste for science—a conclusion confirmed by the fact that a brother of William Paterson, who gave considerable funds to the town of Dumfries, in aid of the old schools, expressly extended the subjects of study to navigation. In fact, the famous statute of King William, providing for a very large extension of mixed education throughout Scotland, had good antecedents in the zealous endeavours of the reformed clergy to instruct their people. This has been duly recognised by the highest authority in an attractive familiar form—and when Sir Walter Scott adds,* "The later system had given rise to the success of many men of genius of humble rank in Scotland," no small portion of that credit might have been attributed with justice to the previous efforts of the reformers for the like advantage. It is more reasonable to think that the

* Tales of a Grandfather, vol. i., p. 164.

genius of Paterson was aided by some intellectual training in early youth, than to assume, without proof, that his extraordinary calculating powers came from efforts of a strong mind, successfully directed in after life to the acquisition of his vast and various knowledge. In a document to be produced in a future chapter it is stated, indeed, that he was a great reader—a statement borne out by the number and character of the books in his library, of which a catalogue is extant.

Very slight reflection, indeed, will establish the belief that the provision for schools, enforced by the statute of King William, would not have been thought of, or submitted to, unless the country was already prepared for it by much experience of the value of good popular instruction.

The visitation injunctions about the period, at the Grammar School of Glasgow, require that the boys at entrance should already be "able to read English, be of skill in writing, and of some knowledge in music and arithmetic."* These injunctions certainly imply, that fair teaching was already in use at the common schools. The same conclusion seems reasonable from the biographies of some remarkable men of the time. Robert Simpson must have carried some *arithmetical* training at least with him to Glasgow, when, upon finding no professor giving lectures on mathematics, he set about his work

* The Wodrow MSS., vol. xxviii., No. 41 b, in the Advocates Library.

himself, with such help only as his fellow-students could afford him.

It is thus highly probable that at seventeen Paterson was fairly grounded in what the Scottish youth then habitually carried with them to their further studies. In his case, without the benefit of those further studies, but forgetting nothing he had ever well studied, the habit of learning, once formed, would be an instrument to the useful knowledge which his writings prove him to have afterwards acquired in great perfection. He was a good historian, a ready theologian, a respectable engineer, and a master of deep calculation.

This state of things considered, the positive assertion of Bishop Burnet, that William Paterson, whose story his lordship must have been well aware of, had "no education," may reasonably be understood to mean merely that he never studied at an university. His forced flight, however, at about his seventeenth year, had, indeed, stopped such instruction as he must have been then receiving, and totally changed the destination of his life.

Against Bishop Burnet's testimony that Paterson had "*no* education," may be set the reasonable observation of Sir John Dalrymple, in his Memoirs, published in the last century, that the good style of Paterson's writings, and his remarkable address, render it probable that he was well instructed in youth.

CHAPTER II.

1672—1681.

His escape from persecution to Bristol—His occupation as a pedlar—His first marriage—His settlement in London—He becomes a member of the Merchant Taylor's Company.

All that has been discovered respecting the change in his destination is from tradition, except what Mr Eliot Warburton states on that topic, upon the authority of an old pamphlet in the Bodleian Library, which has eluded a diligent search in that and other repositories of such works. This lamented and ingenious writer says, that Paterson's family was alarmed by intelligence of warrants being issued by the Council of Scotland, for his seizure, on a charge of being a confederate with the outlawed Presbyterians. It is added, that he went speedily away, and, passing into England, took refuge at Bristol in the house of a relative of his mother, a widow, who, dying soon afterwards, left him some small amount of property. If the reference to the Bodleian Tract be serious, the incidents of this story are probable. We possess genuine notices, in the Wodrow MSS., of such youths as Paterson

escaping from his neighbourhood at the period in question.

"*Sufferings in Kirkmichael, Garrell, and Tinwald.* —There were in these places five young men said to be at 'Bothwell Bridge;' so their fathers, for respecting them, were fined £56, 13s. 4d.

"These five were put to severe straits. *Two of them went into the south of England for safety*, and one of them died there. *The other remains there yet;* so that his going away went hard with his parents, who wished that he were dead and gone.

"Another of them being watched, and keeping house, was put from his house with his wife and children. Being long in a hiding condition, he was at length taken and carried to Carlisle, and then to Edinburgh. He is now banished over seas, being robbed of goods and gear worth £72."*

The traditions of that time, lately collected with eminent success by the Rev. Dr Simpson of Sanquhar, abound in descriptions of dreadful sufferings of many such persons who could not escape. The particular offence charged to have been committed by Paterson, was the conveying provisions and intelligence to the ministers and others hidden in the wild regions surrounding his father's house; and one of those persecuted men is said to have been John Balfour of Burley, whose retreat in Crickhope Lynn is now often visited by the readers of Old Mortality.

Whether these traditions are well-founded or not,

* Wodrow's MSS., vol. xxxvii., No. 17.

it is certain that William Paterson had left Scotland long before the horrible result of such persecution occurred, in the massacre of Archbishop Sharpe in 1679, being then actively engaged in trade.

The evidences of such engagement are scattered, but they are satisfactory, independently of a tradition that, before going to the West Indies, he was received into the counting-house of a relative established in London. In reference to that tradition, it deserves notice that, in the rare printed list of London merchants in the reign of Charles II., the name of Paterson occurs. It is certain that, in 1684, his commercial pursuits were not without importance. In a memorial addressed by him to King William in 1701, he states positively that seventeen years before he had planned the Darien Colony; and in another memorial, addressed in 1715 to King George I., he also states, that for twenty-nine years he had deeply studied our relations in trade with Germany. Both documents are consistent, and both were eminently effectual; so that it may be inferred safely that he stated the simple truth, under circumstances that would have exposed misrepresentation to instant detection. Both of these valuable statements are consistent, also, with the known fact, that before 1688 Paterson had offered his Darien enterprise to the Elector of Brandenburg with a prospect of success.

A report made by two well-known members of the Scottish Company, and hereafter set forth in full,

contains a somewhat remarkable passage confirmatory of the foregoing details. This document was drawn up in Edinburgh in 1697, by Principal Dunlop, of the University of Glasgow, and Mr Robert Blackwood, a Scottish merchant, who had to inquire into a case seriously affecting Mr Paterson's credit. "It is well known," they say, "that for a considerable course of years he has applied himself to the knowledge of what doth principally relate to settlements; and certainly the advantage of his experience, reading, and converse, must needs be very assisting to those whom the Company shall think fit to entrust with the management of their affairs out of Europe. Mr Paterson has certainly a considerable reputation in several places in America; and wherever the Company may settle, the account of his being there will, doubtless, be a means to invite many persons from the neighbouring plantations who are possessed with an opinion of him."*

About the same time, another countryman of Paterson's, Mr Robert Douglas, in a paper drawn up in a spirit of strong opposition to the Darien plan, says he had himself, in 1687, often met him "in the coffee-houses of Amsterdam," promoting the design of a free *commonwealth in Darien;* from which a safe inference may be drawn in favour of his considerable influence, as well as of his great activity. Another unexceptionable witness, Mr Roderick Mackenzie, who had been secretary to the Darien Company,

* Darien MSS. in the Advocates' Library, Edinburgh.

stated in a declaration to a committee of the House of Commons in 1715,* upon Paterson's claims, that he had known him many years as a *merchant* in London, and that designation is given to him in the formal documents of this time, such, for example, as the resolution of Parliament in 1695 for his impeachment.

Finally, the Directors of the Darien Company, in the year 1696, expressly appropriated to him a large benefit in their adventure, in consideration of his quitting valuable mercantile concerns in London, in order to come to Scotland, his native country, that he might advance her prosperity.

It is difficult to describe exactly the trade he was engaged in when in the West Indies; but there is no testimony whatever of an early date, tending to a suspicion that he had a guilty share in any form of *Buccaneering.* Two contemporary writers only have been met with who mention him in connexion with that practice. Mr Douglas, above cited, refers to the books of the Buccaneers in support of his assertion that the Indians in Darien could not oppose the Spaniards; and that the Spaniards would certainly maintain their title to the country; and then "he hopes the authority of the Buccaneers would find acceptance from Mr Paterson"† — an equivocal sneer that would not have contented Mr Douglas, if Paterson's antecedents, then known to everybody, had justified imputing to him any im-

* In the Bodleian Library. † Darien MSS.

proper relations with those unscrupulous adventurers.

The other assailant is the author of the doggerel verses called "The Pedlar turned Merchant," in which Paterson's name is introduced with sufficient freedom; but only so as to imply association with "*Batt. Sharp*," who, at an earlier date, would have been a dangerous companion in any character, but at the period in question, when the Scots were settling Darien, he had accepted the proclamation of pardon, and made his peace with the government and society. Of that fact, the State Paper Office contains abundant proof in the Bermuda and Bahama Records.

If, however, it is right to deny positively that any ground exists for surmising that William Paterson was either a Buccaneer himself, in the most innocent sense of the word, or in the remotest degree a sharer in their piratical spoils, no difficulty is felt in stating from the Darien Records, preserved in Advocates' Library in Edinburgh, and published by the Bannatyne Club, that he had acquired great information respecting Spanish America, which the Buccaneers only could afford. The collecting this information with maps, charts, and journals, had cost him much time and money; and the imparting it to the Company was a valuable consideration for the appropriation which ultimately obtained a large indemnity for him.

Thirty years before, when Paterson was a boy, in

1664, their chiefs, then in open war with the Spaniards, and holding commissions, more or less regular, from the maritime powers of Europe, planned an independent state in the island, eastward of the Mosquito shore. The famous Henry Morgan was one of them, but it was not carried out; and afterwards Sir Henry Morgan became Lieutenant-Governor of Jamaica, and died in London after the Revolution. Paterson must have known him well, as it is certain Sir Hans Sloane did without any derogation of respectability. The voyages of Davis, and other Buccaneers to the Eastern Archipelago, from the Pacific coasts of America, in about 1684, were probably among the means which led Paterson to the conviction that trade in their direction would be profitable for the settlements he planned upon the Pacific, in correspondence with his favourite colony in Darien. But there is reason to believe he never himself visited the coast of Central America, until he went over in the Company's first fleet, in1698. The dates of the piratical exploits of the Buccaneers, accurately stated from rare manuscripts, as well as from printed books by Admiral Burney,* seem to relieve Paterson almost from the possibility of having been concerned in them. In a contemporary tract, written by James Hodges, who was then employed by the English minister to attack the Scottish Company, it is asserted that Paterson joined in the settlement of *New Providence*

* History of the Buccaneers of America. By James Burney, F.R.S., London. 4to. 1816, *passim.*

in the Bahamas—a highly probable fact; and his skill in engineering and nautical improvement render his connexion with another remarkable event in that settlement, also probable. Sir William Phips at this time had planned his honourable undertaking to recover treasure from a Spanish galleon, wrecked at the Bahamas. A joint stock company had furnished the funds for the operation; and Paterson was, of all men, the most likely to be one of its leaders. But it is right to admit that no direct evidence has yet been seen to this effect.

There are, however, popular accounts extant in a poetical form, which may be cited to illustrate the elevated character of Paterson's commercial views, even at an early period of his life. The writer is a better historian and patriot than poet. After expatiating upon the progress of England from her aboriginal barbarism and poverty to the blessings of trade, intelligence, and freedom, he goes on to say, Scotland long neglected these for the barren arts of war.

Of late, however (the date of the poem being 1697), some Scotsmen sought instruction among the English traders; and—

"Amongst the many, visiting everywhere,
Judicious Paterson, with many more,
Fraught with experience, back again do come,
Striving to propagate their skill at home."

The jealousy of the Dutch and English much impeded the effort; but the Scots were not discouraged:

"Scotland was like to thrive 'twas very plain,
They 'd got a law, and could that law maintain—

A law that set all sorts of trading free,
No land a wiser law did ever see.
The English anger proved its excellence,
They learnt the mighty value of it thence,
Wise Paterson, or 's friends could charm but few,
Tho' all they said was potent, just, and true.
They made it evident, that trade by sea,
Needs little more support than being free;
Freedom 's the polar star by which it steers,
Secure it freedom, and it nothing fears;
No mighty power it needs, no fertile lands,
No gold, no silver mines—it all commands.
All that our nature needs, or can desire,
All that for pride, or pleasure we require,
Free trade will give, and teach us how to use,
Instruct us what to take, and what refuse.
Trade has a secret nature none can see,
Tho' ne'er so wise, except they traders be.
It is not ten per cent., nor three times ten,
Makes a land rich, but many trading men;
Men skilled in mysteries of trade, that know
Its springs, and how to stop, and let them flow.
Freedom draws such, and where there 's many found,
It is most certain riches will abound,
They find their wealth increase, but know not why,
And as they thrive their numbers multiply,
The want of money such joint stocks supply,
When divers gain by few men's industry."

This argument is then described, as having prevailed at the Scottish Parliament, but only after much opposition, overcome by *Paterson*, greatly to his honour. The Poet says:—

"I who know this and see what has been done,
Admire the steady soul of Paterson;
It is no common genius can persuade
A nation bred to war, to think of trade."

"All the truths, however, that *Paterson* had said," would, it is admitted, have been said in vain, if the hostile votes of the English Parliament had not roused the Scottish nation "as one man," to carry Darien Colony by their own unassisted resources.*

Other poems of the period will be cited in a future page, to shew the gallant spirit that pervaded the nation under Paterson's influence. These verses are adduced in proof of the opinion, that he was held to be a great trader, and only a great trader, without the demerit, or the merit of being either a buccaneer or a missionary.

In "Trades' Release, or Courage to the Scotch-Indian Company, an excellent new ballad," to the tune of "The Turks are all Confounded," the same laudation of Paterson is the burden of this song, beginning:—

"Come, rouse up your hearts, come rouse up anon!
Think of the wisdom of old Solomon;
And heartily join with our own Paterson,
To fetch home Indian treasures.
. . . . .
——— As King Solomon
Set trade from all incumbrance free,
For reason ruled his thinking;
So the wisdom of the Parliament
Hath jointly agreed, with the best intent,
By their Act, together with th' royal assent,
To free trade from taxation.
. . . . .

* Various pieces of Fugitive Scottish Poetry, principally of the Seventeenth Century. 2d Series. Edinburgh: 1853. No. 42.

"And now, while the matter runs fresh in my head,
Let us think of our own home-subjects of trade—
Rare fishings of all sorts, all north from the Tweed,
And plenty of corns and provision.
Our fine manufactures of woollen and thread,
Our salt, coal, and marble, our iron and lead;
Pray, then, what shall cut us, but to thrive with all speed,
If we banish all seeds of division.
Since, by nature and law we are equally free,
Wherever true merit is found, let it be
Rewarded most nobly in every degree,
Without regard to compactions.
Let vice and oppression be clothed with shame;
Let brave undertakings our breasts all inflame;
Let liberty, property, religion, and fame,
Be mainly the scope of our actions.
To Scotland's just and never-dying fame,
We 'll in Asia, Africa, and America proclaim
Liberty! Liberty!—nay, to the shame
Of all that went before us.
Where'er we plant, trade shall be free;
And in three years' time (I plainly foresee),
God bless the Scottish Company,
Shall be the Indian chorus.
No brawls, no murmur, no complaint,
No cause of any discontent,
Where *Patersonian* government
Shall once commence a footing.
His wholesome laws being published there,
Shall harmless keep their goods and gear,
And free their persons from all fear
Of Thummikin and Booting." *

* Various Pieces of Fugitive Scottish Poetry, principally of the Seventeenth Century. 2d Series. Edinburgh: 1853. No. 43.

CHAPTER III.

1690.

His historical account of the rise and growth of the West India Colonies, and of the great advantage they are to England in respect to trade.

THE heading of this chapter is the title of a tract first published in the year 1690, and republished in the "Harleian Miscellany," half a century later. The work appeared in the name of Sir Dalby Thomas; and it was substantially, doubtless, the production of that experienced merchant; but it belongs essentially to the tale of William Paterson, who must have contributed largely to its pages. Sir Dalby Thomas was his colleague in other things, as, for instance, in the Hampstead Water Company, founded about the same year, 1690. It is also dedicated to Sir Robert Davers, once a planter in Barbadoes, and for more than twenty-five years, when a member in the House of Commons for Suffolk, an unwearied advocate of Paterson's claims of indemnity for his losses in Darien. It is not an unusual thing now, and it was common then, for contributions to be made by friendly persons to such works as this is—

having the support of certain common interests in view—and the whole being published in the name of perhaps the original proposer of a joint effort, and the chief writer of the books.

The passages here selected from Sir Dalby Thomas' history, are such as bear, in a striking manner, upon topics long familiar to Paterson's mind, and expressed in language to which exact parallels will be produced from his known writings. The passages respecting currency, credit, and banking, seem to contain the first notices of his proposals on these subjects, as afterwards acted upon in the Bank of England, and in other ways. The passages upon Colonial Government are peculiarly valuable in reference to modern interests; and a contemporary writer of tracts, not at all disposed to pay Paterson compliments, states that he was a zealous advocate for the better rule of the colonies.

The ostensible author sets out, by saying that he, "*and others*," had devised a method of managing West India interests more advantageously for all parties—consumers of produce as well as its producers. That method was, in effect, to bring the produce into depositories like bonded warehouses; and to have funds of money provided, so that, up to a certain value, the owners might command fair resources for the use of their plantations, by mortgaging, as it were, their stored property—an anticipation of a vast modern business.

To support the proposal is the object of the tract;

and the narrative is a happy example of the "reading" for which Paterson had credit from his judges in the Darien Report above cited.

After an elaborate survey of the sources of all national wealth, the writer concludes, that "the true, original, and everlasting support of wealth is nothing else but labour; and that if all the laborious people of the kingdom left working, to live upon the natural produce of it, distributed among them in an equal proportion by way of charity, as parish poor and beggars are supported, it would not be long before the nation became necessitous, naked, and starving; and, consequently, land and houses worth nothing."

"A short reflection will make us sensible that a very few years of idleness must complete the matter; whence one can no longer doubt, but that labour and industry, rightly applied, are the sole cause of the wealth of a nation; that money is only the scales, or touchstone, to weigh or value things by; and that land only will yield no rent, but as labour, employed for the support of luxuries as well as necessaries, finds due encouragement and increase."

It is then shewn that trade is indispensable to national prosperity, and that England abounds in "all the supports of grandeur or delight, and is, to speak it, a truly civilised and glorious nation indeed," has come of the enterprise of merchants and the care of industry.

"Though some men, it is said, through false and curious optics, look upon the ornaments and delights

of life as baits to vice and occasions of effeminacy, if they would but impartially examine the truth of matters, they would discern them to be true issues to virtue, valour, and the elevation of the mind, as well as the just rewards of industry. For,

"It is certain, upon a right scrutiny, a man shall find more profaneness, dishonesty, drunkenness, and debauchery, practised in nasty rags, bare walls, and ale-houses, than in rich hotels, palaces, or taverns; and as plenty, splendour, and grandeur, can have no other fountain but wisdom, industry, and good conduct, so shabbiness, indigence, and contempt, rarely spring from anything but folly, idleness, and vice.

"But when it happens otherwise, by unexpected frauds, shipwrecks, fires, inundations, or manias, the shame of suffering it becomes the nation's reproach: since the rarity of these accidents would make the burden which crushes a particular scarce felt, when laid by a right method on the commonwealth, as I shall endeavour to make appear hereafter."

The *merchant's* high calling is then soon enlarged upon. "Though, it is said, his labour seems a recreation rather than a toil, and consists chiefly in a regular methodising of a punctual rotation of credit, and change of commodities from one place to another; yet, considering that the whole produce of nature and art would be but dead matter without a proper motion to convey it to its true end, consumption, all other callings receive their vigour, life,

strength, and increase, from the merchant. Commodities rise in esteem or value as they are rightly distributed, and lose their very nature as well as worth, when by overstocking the markets they become contemptible, or perish for want of use. Wherefore, laws should be so contrived as never in the least to discourage or check any conception or endeavour of the venturous merchant, to whose extravagant and hazardous, as well as prudent and cautious undertaking, this nation chiefly owes its wealth and glory."

Then follows a most remarkable passage, the principle of which will be seen to be deeply seated in Paterson's after works.

"It is a mighty pity," says the writer in a genuine Patersonian spirit and style, "It is a mighty pity that all laws for customs and duties, as well as for regulating navigation, erecting companies, judging maritime causes, granting letters of marque and reprisal, and for encouraging manufactures and societies of handicrafts, should not first be debated, prepared, and begun in a great COUNCIL OF TRADE, *to consist of members elected and deputed by every plantation, maritime city, company, constitution, and trade, which would desire to send members to it;* and from thence, after a free and full examination, be represented to both Houses of Parliament for their approbation or dislike.

"Trade is of that nature that it requires frequent pruning, lopping, and restraining, as well as cultivating and cherishing, and thrives much better under proper and rightly applied restraints, duties, and excesses, than in a general looseness.

"This being so, is it possible that a positive tonnage and poundage like ours should hit all accidents, or attend the changes it receives at home by the plenty or scarcity of our native commodities, or abroad, by the like ebbs and floods, as well as the laws in foreign nations concerning it?"

"Or how can the divines, lawyers, nobles, and great gentry of the kingdom be nice judges, and right distinguishers between the clashing and tangling interests of so great a mystery as universal trade, when few, or none of them, have ever had the least occasion to inspect, or experience any part of it?

"The want, therefore, of a free and able Council of Trade in this nation, though it cannot destroy, yet wonderfully hinders the natural and genuine increase of navigation, merchandise, and consequently of rents."

The subject of our plantation trade and our colonies is then largely entered upon.

"For want of that Council," the writer adds, "I will presume to go on as in explaining the right and wrong application of men's industry, as they respect, in general, the wealth and grandeur of the nation, or in particular the interest of our American colonies, in many of which, I doubt not to demonstrate, that one labouring man is of more advantage to

England, though out of it, than any thirty of the like kind can be within it."

This opinion being established by extremely curious illustrations taken from the working of the sugar colonies, it is concluded upon the general question, that all our well governed colonies are of great national importance, as, in some kind, so many maritime armies, ever ready to keep order there, and help us fight our battles against all assailants.

After a careful survey of the plantation trade from its rise *only fifty years before*, to its great amount before some recent errors in legislation had checked it, specific measures are proposed for the revival and extension of that trade.

They who go to the colonies are cautioned that they "must not hope to reap unless they sow. Seed is not more necessary for its own species, than wealth is to wealth. The Spaniards have a proverb to that purpose, which says, *he* that will bring the Indies hence, must carry the Indies thither."

"It was an unaccountable negligence, or rather stupidity, of this nation, during the reigns of Henry VII., Henry VIII., Edward VI., and Queen Mary, who could contentedly sit still and see the Spaniards rifle, plunder, and bring home undisturbed all the wealth of that golden world; and to suffer them, with forts and castles, to shut up the doors and entrances into all the rich provinces of America—having not the least title, or pretence of right, beyond any other nation, except that of being, by

accident, the first discoverer of some parts of it. Here the unprecedented cruelties, exorbitances, and barbarities, *their own historians witness*, they practised on a poor, naked, and innocent people in the islands, as well as upon the truly civilised and mighty empires of Peru and Mexico, called to all mankind for succour and relief against their outrageous avarice and horrid massacres. For a nation, situated like ours for trade and navigation, being, by the kingdom of Ireland, the nearest eastern neighbour to that western world, to sit still, and look upon all this, without either envy or pity, must, I say, remain a lasting mark of the insensibility of those times, and of the little knowledge our forefathers had of the true interest of mankind in general, or of their own country in particular.

"Nor did we awake from this lethargy and wonderful dosing, by any prudent foresight or formed counsel and design, but slept on until the ambitious Spaniard, by that inexhaustible spring of treasure, had corrupted more of the courts and senates of Europe, and had set on fire, by civil broils and discords, all our neighbour nations, or had subdued them to his yoke; contriving, too, to make us wear his chains, and bear a share in the triumph of universal monarchy, not only projected, but near accomplished, when Queen Elizabeth came to the crown, as all historians of those times do plainly make appear."

The rise of the North American Colonies is then traced, and attributed to "the necessities of many,

wrought upon by the examples, the wisdom, and success of some few individuals, without any formed design, help, or assistance from our State counsels or legislators. In less than one century, they have thrived so well that they are the envy, and might be the terror, of all our neighbour maritime nations; so that it can be from no cause but want of information, that many of our laws, and court manners, and practices, run opposite to their encouragement, protection, and increase."

Specific discouragements to the West Indian plantations are then fully detailed, with strong cases of tyrannical misrule, proving the urgent need of reformation; and remedies are proposed for evils of which we perfectly comprehend the extent, as modern experience has furnished us with bitter parallels, almost ludicrously exact.

The previously-described *Council of Trade* is first insisted upon—"it being almost impossible for the Privy Council, or Committee of Parliament, in the methods they proceed by, ever to inform themselves rightly of any one difficult matter that comes before them.

"For let a thinking man, anyways versed in trade, but reflect how many interfering accidents there belong to that mystery, and how many shapes every branch of it has taken before it arrived at perfection, and they will conclude it impossible for noblemen and gentlemen, by short debates, partially managed as they usually are before them, ever to

arrive to a perfect understanding of the matter in question. For want thereof, their judgments are abused by clamour, importunity, prejudice, partiality, or some other prevailing bias; and seldom, if the matter be of importance enough to require debate, ever come to a right decision. *Then, at last, the secretary or clerk to such a board becomes the only oracle to it; and as he feels the cause heavy or light,* WEAKLY OR POTENTLY BACKED, *we read its destiny before our argument is heard concerning the matter in issue, be it of never so considerable consequence.*"

For the truth of this charge, and a great and true charge it is, the writer appeals to experience, and expresses his wonder and concern that such an abuse should prevail in this great nation of ours. A careful plan of the working of his proposed Council follows; and what he states is the more worthy of attention, inasmuch as most of it was adopted a few years afterwards by the appointment of a Board, of which John Locke was a member, along with some *merchants*, and inasmuch as a better contribution could not be found towards the constitution of that great Indian Board, the disasters of the East must speedily bring under consideration.

"It is no wonder," he proceeds, "that our laws and council-book orders are so often forced to be changed for being in direct opposition to a national interest, when the government alters the greatest (Colonial) concerns without impartial advice from those who are most able and solicitous about them.

Therefore, as the great remedy to the grievances of our colonies, I propose that a Council of Trade may be established to hear, debate, and examine all proposals and difficulties that arise about trade, with salaries out of the public purse, to make the business worth wise men's attendance. No proposition should there be refused a debate, and two or three hearings, or more; and nothing discussed with a refusal, but with the reasons of the Council annexed to the proposal. No judgment of this Board should be final, but open to review, either at the Privy Council or in Parliament, where answers to the reasons shall be considered.

"Nothing shall be advanced, either in Parliament or in the Privy Council, without being first weighed upon debate at this Council of Trade."

The memoirs, debates, and resolutions of that assembly, would be the undoubted rule for guiding all commerce; whilst for want of it, the writer adds with shrewd good humour, he is forced, for the sake of the West India Trade, to "appeal to all mankind, by a more troublesome and tedious, as well as less significant method—that is, writing a book!"

To give this intelligent, enlightened Home Council the better influence throughout the Colonies, it is recommended that circuits in them should be established by judges and commissioners of appeal in all proper causes, being sent out from England periodically; and three members of the Home Council were in turn to attend on those circuits.

In addition to these guarantees for good government, it is further proposed to form a bank, and found its credit on all the plantations, upon subscribed capital proportioned to their wealth. At this bank, credit was to be given by transferable bills to the amount of their property in land, stock, or goods. This, it is insisted, would enable the planter to buy what he wants for ready money, at a reasonable rate—"which the needy planter without part help can noways do." *

The principle of equally respecting the interests of land and trade, recognised in the tract here analysed, was never abandoned by Paterson; and his special library for the improvement of industry, already noticed, was carefully planned to satisfy both. But he had no merit for originality on this head. On the contrary, the same principle was expressly declared in the wise scheme of social progress, oddly entitled, "A Discourse of the use and power of Parliaments, of laws, of courts of judicature, of liberty, of property and religion, of the interest of England in reference to the designs of France, of taxes and trade." This tract was published, without the name of author or printer, in 1677, before Paterson could possibly have had any share in such a work. For his scheme of *universal* education, and at schools where no whip should be seen; for his most powerful argument against the punishment of *death* in any case; for his advocacy

* Harleian Miscellany, 4to, vol. ii. pp. 340-369. London: 1744.

of a code; for his plan of a thorough *union* of interests and legislation for all parts of the British empire; we might all, to this day, read this anonymous tract with profit. But it may be conjectured, without risk of error, that Paterson, a great "reader," as we know, eagerly consulted a book in which his favourite doctrines of the creation of safe credit, by making paper securities cheaply transferable—of the criminality of frauds in trade—and of identity of interest, and almost of character, between the British landowner and the British merchant—were zealously promulgated.

CHAPTER IV.

1691–4.

Paterson's eminent social station secured—His views upon coin, currency, and joint-stock banks—Supplies of money for the public service—Extraordinary opposition of Mr Lowndes, of the Treasury, to Paterson's financial proposals.

GREAT industry and enterprise, combined with great and various abilities, and a rare integrity, had now obtained for William Paterson an eminent standing in society. His political principles enabled him to profit by the Revolution of 1688, among the leaders of which he had attached friends in his own countrymen, such as Fletcher of Saltoun,* and Baillie of Jerviswood;† and his mercantile experience and opinions allied him intimately with men of business of the first rank, such as Sir Theodore Jansen and Mr Godfrey.‡ In about 1690, the

* Sir John Dalrymple's Memoirs of Great Britain, as above, p. 95—"Ingenious minds are drawn to each other, like iron and the loadstone. Paterson, on his return to London, formed a friendship with Mr Fletcher of Saltoun, whose mind was inflamed by love of the public good, and all of whose ideas had a sublimity in them."

† The Jerviswood Correspondence, published by the Bannatyne Club, 4to, p. 156. Edinburgh: 1842.

‡ Wednesday Club Conferences, 12mo, p. 35. London: 1717.

Hampstead Water Works Company was founded upon his inquiries; and Sir John Trenchard, afterwards Secretary of State, Sir Dalby Thomas, abovementioned, with men of similar station, were his colleagues in the direction.* But so long ago as the year 1696, there was published in Edinburgh, a statement respecting Mr Paterson, that should remove all doubt on the subject of his eminent position and success. It is an address written to encourage the Scottish nation to persevere in their great colonial enterprise, notwithstanding powerful hostility in England against it. After insisting forcibly upon their own unanimity at home on the subject, the writer proceeds:—

"I add to this consideration, that we have at this time a set of most active and experienced countrymen residing in London, notably skilled in all the mysteries of trade, who, as they have sent down considerable effects, for erecting and carrying several companies and manufactories in this kingdom, wherein they have met with suitable success, and thereby have benefited their native country, as well as bettered their own fortunes; so, in erecting this African Indian Company, they have cheerfully lent their helping hand, and have incessantly stirred us up to our undoubted interest; to all of whom this country is much indebted; and I hope it will offend none of those gentlemen, if *I make a particular mention of Mr Paterson*, as a person to whom, in a

* Books of the Company in the office in London.

special manner, we owe already the fair foundation of this design, and, I hope, shall owe many good and well-grounded advices to carry on the trade. His great experience, universal travelling, and correspondence, exact observing, and making it many years his study and work to lay such a design as might benefit his native country, fit him for the same. His laying the design or project first of the Royal Bank of England, and then that of the Orphan Fund, demonstrate both his ability for such an undertaking, and his kindness to our neighbours. And his doing this to us, as it proclaims him a worthy *patriot*,* so it may encourage us all to venture part of our fortunes on a project of his framing, who hath been so successful among our neighbours."†—January 4, 1695–6.

Stronger proofs of the fact that it is an error to look upon him as a friendless stranger,‡ still less a wandering adventurer, would be superfluous. He had secured his social reward by merit; and the use to which he turned his unquestionable influence, raised him still higher in public esteem, so that he began to take a very prominent part in the discussion of several important public matters of the time. The struggle was in progress against the East India

* "Countryman;" in the original of 1696.

† A Letter from a Gentleman in the Country to his Friend at Edinburgh, folio, p. 7. Edinburgh: 1696. Folio Tracts in the Advocates' Library, No. 19.

‡ Sir John Dalrymple, as above, p. 94. "Paterson had few acquaintance, and no protection in London."

Company, whose monopoly was boldly resisted by a powerful body of merchants, of whom he was one. They were the joint-owners of numerous ships, navigated by those who went by the name of "Interlopers"— a body totally distinct from the Buccaneers, and having no manner of relations with the pirates of that age.

In regard to our coin, the standard of which has, for centuries, been unobjectionable, the only difficulties are to prevent that standard being tampered with by mistaken ministers, and how to restore the purity of the current coin, when diminished in value by simple use, or when clipped, or debased. At that period, Mr Locke's famous tracts saved the country from the disastrous measures warmly urged by the secretary of the Treasury, Mr Lowndes, for lowering the standard, whilst keeping up the denomination of the coin, that he ludicrously called raising it. Paterson was unquestionably one of the merchants of London, headed by the experienced Sir Dudley North, who supported the philosopher against the injudicious crown officer. What, however, Paterson insisted upon as the best method to restore the debased money was not adopted; and no remedy at all was applied to the evil until 1696, four or five years too late, with three millions loss, he said.

As to paper currency and banking, a better system than that which from of old prevailed legally in England, had long been argued for by zealous and able writers. The work of 1677, quoted in the

last chapter, was one of many in which it was contended that we ought to adopt the safe practice of the Continent, and make bills payable to the bearer transferable without a slow and expensive assignment, or even any indorsement. The struggle, on the part of our merchants, to introduce this improvement into all dealings was tedious; and it is little to the honour of the great judge, Lord Chief-Justice Holt (who remembered the beginning of that struggle, he said, in Westminster Hall), that he did not take proper means to cut it short. His lordship, rightly enough in point of dry law, defeated the attempts made by the merchants in their practice to break through a settled doctrine; but the appeal to Parliament, which succeeded in Queen Anne's reign, so as to make a most salutary change in the law, could easily have been preferred early after the Revolution.

As Paterson states in his "Wednesday Club" Conferences of 1717, that in 1691 he proposed to the government a specific plan for the restoration of the coin, so before the actual founding of the Bank of England in 1694–5, of which he with reason claims the credit, he had, at a Committee of the House of Commons, and otherwise, connected the effectual improvement of the currency of bills with the supply of money for the public service. His special proposals of 1691 have not been found; but the following extracts from a contemporary document in manuscript, probably from his pen, will be a valuable opening of the very important early discussion

on the subject, hitherto little known. The document is preserved in the before-mentioned Halifax volume, and endorsed, "A Treatise of a Bank."

"A merchant, or other person of sufficiency, in Flanders or elsewhere, it is stated, giving out his bill or bond for the payment of £100 at the end of six months *at Amsterdam*, one way of making payments between person and person (in case the person above-mentioned is accounted sufficient, and so the bill be accepted of), is by assigning such bill from hand to hand; and this one bill or bond for £100 may happen (before the money becomes payable) to pass current through twenty hands; and this with much more ease, speed, and safety, than if so much money had been carried from place to place, and told from hand to hand to better than twenty persons.

"To the raising of the bank at Amsterdam, two laws at the beginning were necessary—the first, that all sums above 300 guilders, or £30 sterling, should be paid at one place; second, that all the said payments above £30 sterling should be made of money lying in the bank, whereof there is not, in truth, one-fourth, if the bottom of the bank should be discovered. This is yet, to all intents and purposes, equally, and as to payments, of easier, quicker, and safer despatch of all payments, far to be preferred before money."

Taking this example as establishing a convenient and safe mode of extending credit, the writer of this

paper asks, "Whether £100,000 per annum, which, at twenty years' purchase, is worth £2,000,000, being mortgaged to a bank here in England, in the very same manner as is ordinary to every scrivener's shop, be not a very justifiable security for a million of credit, and far better than is to be found in the Bank of Amsterdam? There, if very good intelligence doth not lie, there is but one full fourth part in money to what in truth and justice there should be, the other three-fourth parts having been taken out by the magistrates to maintain the wars against the King of Spain, and so risking (if every bird should call for his own feathers) the public faith of the city."

It is then laboriously argued that the same principle of credit might, with ease, be extended to the owners of land, through a bank, in which the government would place funds, which would infallibly secure credit to the bills, provided they should be punctually paid when presented at the Bank.

To this proposal, probably, or to something analogous to it in another shape, Mr Lowndes, secretary to the Treasury, made crafty objections, addressing them to Mr Montague, in whose collection the document is preserved. Although the Bank of England was soon founded, notwithstanding so formidable a resistance, the document deserves a place in connexion with Paterson's story, to shew the sort of reasoning by which his views were assailed by one who, during twenty years afterwards, was a foremost obstacle to the redress of Paterson's wrongs by

Parliament. In the controversy upon the coinage, Mr Locke spoke considerately of Mr Lowndes' reputation as a man, when demolishing his logic and defeating his measures. Paterson, after sharing both triumphs, never ceased, upon frequent occasions, to demonstrate, without scruple, that experience did not improve the intelligence of the secretary, and unscrupulously to expose the injurious practices of the Treasury under his management. It is then no want of charity to believe that the powerful functionary was not studious to advance the fortunes, or support the just claims of so shrewd and so unsparing an antagonist.

The document in the Halifax volume is indorsed: "Mr Lowndes' remarks upon the proposal of raising two millions by a perpetual interest, 1691," and its tenor is as follows:—

"Remarks upon the proposal for establishing a fund to raise two millions, to be charged on a revenue of £110,000 per annum, by bills.

"1. It is understood from the words and scope of the proposal, that, after making the law, which is offered at, the acceptance of the said bills, instead of money, for debts, owing or to be owing by the king to a subject (such as are owing on tallies already struck being only excepted), and for all revenues, taxes, and future loans, which the crown is to receive from the subject, and for all debts that are or shall be owing upon mortgage, bond, or other specialties, or without specialty, or for rent, and in all

other cases where one subject is to make a payment to another,—will become compulsory,—that is to say, the tender and refusal of such bills will have the same construction in law as the tender and refusal of money in specie. But still all persons, (although their bills, for the reasons undermentioned, or any other, should be found not to be equivalent, or by common reputation should be thought not equivalent to specifical money), will have it in their power not to lend, or not to dispose of their moneys, for the future, upon public credits, for their Majesties' affairs, or upon mortgages, bonds, contracts, or other securities, where the interest or business of the subject is concerned.

"2. That being premised, it is necessary to consider, first, whether these bills, being made current by Act of Parliament, are likely to be, or be thought equivalent to the contents thereof in gold and silver; secondly, what may be the effects and consequences of such an Act one way or other.

"(1.) The reasons which induce a belief that these bills will never be thought equivalent to so much specifical money are these: The owner of the bills, upon any accident or necessity, will never have it in his power to go to the trustees, or managers, or to any other persons, to demand, or compel from them, the payment of his principal money, but only five per cent. interest, and that may be in paper, too; and, if it be said he may sell his bill to any others, it is answered that others may refuse to

buy it. So that his principal, by this means, will become precarious, and never be within his proper reach or command.

"(2.) The present state of interest, established by law throughout the kingdom, is six per cent. for all moneys lent to the king upon his best security; when the principal is repaid in twelve months, more or less, there is allowed seven or eight per cent. If a man lays out of his money in the purchase of leases, the buyer has commonly six, seven, or eight per cent., and that compound interest on his money. Even an inheritance of land, bought at twenty years' purchase, yields a profit of five per cent.

"3. In the case of these bills, as, on the one hand, there is no prospect of a profit exceeding five per cent., which is less than the former legal profits made of money, as aforesaid; so, on the other hand, there is a possibility, if not a probability, that there may be a loss by them—to wit, it is possible that the principal contained in these bills may be depreciated, if not become wholly valueless. When men have a contingency for profits, they adventure a loss; but here is no proposed gain to be set against the hazard—a proportion in reason always respected in dealings. If it be said that the reducing the common rate of interest throughout the kingdom from six per cent. to less than five per cent. will advance the value of the principal contained in these bills, which will always be entitled to five per cent., besides one-half per cent. for

management, it is answered that such an advance can never amount to much; and there is no reason why, in such a reduction of the common rate of interest, these bills should find an exception. And if it be asked, where lies the hazard, leave is humbly desired to say that these bills, which are to endure for ever, must, for their support, have perpetual good liking of all governments in successive generations. If it be allowed that interest bears sway in the minds of men, who can think that posterity will be willing to pay a tax of £110,000 per annum, not for the support of their own government, for the time being, but to go into the pockets of private men, strangers as well as natives, for money advanced to their ancestors, when it will be in their power to acquit the public of such a burthen? I have seen the record of an Act made in the time of Henry VIII., in which the Parliament, for a reason of state —to wit, the public utility—vacated debts which that king had contracted for loans, really and *bona fide* made to himself by merchants and others. Future Parliaments will always have power, and may be told it is their interest, to exonerate the nation of such an endless burthen as this will otherwise be.

"4. If any man that parts with £100 upon one of these bills, is never to have his principal within his command—a cautious person can, if he has no prospect of profit thereby, more or equal to what he may make without such a law—how should it come

to pass that the bills should gain the estimation expected? This is asked because the value of money exists in the minds of men and women; and if people will not think paper equivalent to gold or silver, although determined so by law, all the mischiefs hereinafter mentioned, and many more, must needs ensue by putting this proposal in execution.

"Only, I would take leave to observe, by the way, that many people have still in their memories the loss they sustained by the public faith bills, by postponing bills and tickets in the navy, by stopping payments upon public registers, when the orders were assigned by Act of Parliament; and the claim of perpetual interest settled on the hereditary excise is at this time under litigation; from all, or some of which, may arise prejudices in their minds against the bills now to be set on foot.

"But the chief matter to be considered, in reference to the law proposed, are the effects and consequences thereof, or how the same will enure.

"*First*, DISCREDIT TO THE KINGDOM. — Friends and enemies will be tempted to believe that nothing but extreme want of money, and being reduced to the last shift, puts the Parliament upon laying a perpetual burden upon the nation.

"*Secondly*, HAZARD TO THEIR MAJESTIES' GREAT AFFAIRS, BY BEING DISAPPOINTED OF THE TWO MILLIONS.—A perpetual Act of this nature will require time and skill in its fabric; for an hereditary revenue must be granted, out of which must issue

£110,000 per annum to the hands of perpetual trustees and managers, which trustees have need be very responsible persons, to receive £100,000 a-year for other persons, and very deserving men, because they must have £10,000 a-year for themselves. The appointment of these trustees, from time to time, for ever, must not depend on the will and pleasure of any particular persons, whose default of nomination, in case of death or insufficiency, may make the whole affair fall to the ground; and many other weighty matters must be considered and adjusted. And after all this, if people will not believe these bills worth their gold and silver, they will never pay into the exchequer the two millions for them, the want of which may cause further mischiefs, too great for me to set forth; and if I have used too much plainness or boldness in this paper, it is the apprehension of something of that nature that has occasioned it.

"*Thirdly*, HAZARD OF PREVENTING THE LOANS OF MONEY ON THE LAND-TAX, OR ANY OTHER FUND GIVEN BY PARLIAMENT, OR UPON ANY BRANCH OF THEIR MAJESTIES' REVENUE.

"The proposers have made a provision for tallies already struck, by which, I suppose, is meant chiefly the moneys due upon registered orders for loans formerly made; and I think, with respect to their Majesties' service, they should have made this provision in the repayment of loans hereafter to be had; for their Majesties are sure of the loans be-

fore this time received; but it is very probable that any persons that shall lend hereafter upon the revenue, or taxes, will first be assured of the repayment in as good coin as themselves lend us; especially since the proposers themselves do offer a manifest difference to be made between the one and the other.

"*Fourthly*, As to the application of these bills to pay off the transport ships, and other debts of the crown, and the navy, ordnance, army, or the like, it is not doubted, but in these and other cases between the king and his subjects, these bills will be accepted, because hereby the creditors will have a plain and easy way to obtain their debts; that is to say, the paper which they, or any friends or assignees of theirs, especially merchants and brewers, may return again to the king for customs, excise taxes, and the like, for which these bills will certainly come into the exchequer, and then the creditors will have no occasion to take them a second time. And note, by the way, if three-quarter customs, and three-quarter temporary excise, the unappropriated excise, the remains of the last twelve months' aid, &c., come into the exchequer in these bills, and not in real money, there will be nothing but these bills, and no money to supply the said tallies already levied, notwithstanding the proposition made for this in the proposal.

"*Fifthly*, LOSS AND VEXATION TO THE SUBJECT.—Men will be ill satisfied to take paper now for money which they formerly lent on good mortgages, bonds,

or other securities; and will be very unwilling to lend money for the future, when they cannot be assured of repayment in as valuable a coin as what they part with. This imports the trade, husbandry, and other business of the nation, the greatest part whereof is managed by credit.

"*Sixthly*, If this project be successful, IT WILL, IN ALL LIKELIHOOD, CARRY THE SPECIE OF MONEY OUT OF THE KINGDOM. For then there shall be no necessity for such money in receipts and payments, but they may be supplied by the fictitious cash—those persons who have, as is believed of late years, made an impious profit to themselves by melting down the money and sending it as bullion into foreign parts, will have a good opportunity to engross the whole specie of gold and silver, except that which is too much clipped, and to melt the same down for exportation as aforesaid.

"These are some of my thoughts, which, by your lordships' commands, I have put in writing, thereby submitting the same to your lordships' consideration.

WM. LOWNDES."

These unfounded official objections to the proposed *transferable* bills of credit, prevailed for several years, as will be seen in the next chapter, with Paterson's two accounts of the difficulty to establish the bank. His plan was to give bills easy course; the objector assumed their *forced* acceptance was asked for; which all his life Paterson resisted.

CHAPTER V.

1694–5.

The foundation of the Bank of England—Paterson's defence of his monetary plans.

Mr Lowndes was not the only opponent of the Bank of England. Its principle of the absolute necessity of being ready to pay all bills in cash on demand, was fatal to the schemes of the Chamberlens, the Briscoes, the Murrays, the Porters, and scores of other ingenious projectors of forced paper money. John Law was a young libertine, and it must have been a fiction, when, thirty years afterwards, he told M. de Montesquieu, in Venice, that he had learned his financial science from *Paterson's* prodigious success at this period. His ideas will be seen presently to have been part and parcel of the plans of those whom Paterson outstripped in every quality, and of all those plans Dr Hugh Chamberlen's was the most preposterous and the most persevering. It is sharply characterised in the following tract from the pen of Paterson; nevertheless, ten years later, Dr Chamberlen reiterated his financial appeals to both Parliaments, when he had again the mortification of their being deliberately rejected, and at that time along with John Law's.

The Bank of England was somewhat more simply constituted than it became by the statute of Queen Anne, as it did not, at first, possess any exclusive privilege. The rapidity with which its shares were taken to the amount of £1,200,000, strongly attests its projector's judgment and knowledge of the wishes and resources of his fellow-citizens, and of the public at large. The contributors to such funds were by no means limited to a few great capitalists as loans now are. Indeed, a special clause in the Bank Act prohibited any one person holding more than £20,000 stock; and the first body of proprietors was 1300 in number. Among others eager to place their savings in the *Revolution* Bank, it is interesting to find John Locke, upon one of the *ten* days it took to fill the lists, writing to a friend of Paterson's in Holland, that he had subscribed to the bank in time, as only £100,000 stock remained to be had, and it was expected to go off that night! *

In the account of the bank by poor Mr Godfrey, soon afterwards killed in the trenches at the siege of Namur, whither he had taken supplies of money to King William, perhaps from the very subscriptions so eagerly contributed to Paterson's Bank—in that account republished in the "Somers' Tracts," † the

* Letters of Mr Locke and Lord Shaftesbury to Furley, 8vo. London: 1824.

† Collection of Scarce Tracts, selected from many Libraries, particularly those of the late Lord Somers. By Sir Walter Scott. Second Edition, 4to., vol. ii., pp. 3-12.

merits of the institution are carefully set forth, but not with the raciness that marks all the numerous productions of Paterson's pen.

The title of the tract here presented, as undoubtedly written by Paterson, is "A Brief Account of the Intended Bank of England," 4to. London: 1694.

"The want," he says (p. 18), "of a bank, or public fund, for the convenience and security of great payments, and the better to facilitate the circulating money, in and around this great and opulent city, had in our time, among other inconveniences, occasioned much unnecessary credit, to the loss of several millions, by which trade hath been exceedingly discouraged and obstructed. This is besides the height of interest which, for some time past, hath borne no manner of proportion to that of our rival neighbours; and for it no tolerable reason could ever be given either in notion or practice, considering the riches and trade of England, unless it were the want of public funds, by which the effects of the nation in some sort might be disposed of to answer the use and do the office of money, and become very useful to the trade and improvement thereof.

"These, and such as these, were the causes that the nature and use of banks and public funds have been the discourse and expectation of many years. But all this while our refined politicians assure us that we must never think of settling banks in England without a commonwealth; and this notion became so universal, that it was matter of derision for any

one to seem to be of a contrary opinion. Thus, the *modish vein of farce and ridicule, so prevalent over the morality, virtue, and reason of our times, had like to have deprived us of them.*

"But the notion of banks and public funds was entertained by some mercurial heads, who, finding the main objection against them in England to be, the danger of violence from the prince, invented several imaginary banks and funds, which they designed to settle far enough from the prince's reach, or anybody's else. The first design of this nature was, to turn a Lombard into a bank, and to that end they cried down the use of gold and silver, and up that of other materials in lieu thereof. But when they found the world very unwilling to leave their old way without better reason, or something more enticing, they ran from their new mistake to an old one, which was, *that the stamp or denomination gives or adds to the value of money.* With this they resolved to run counter to all mankind; yea, they would anticipate ages, and attract, or rather imagine, inestimable value for innumerable years to come; all which was to be crammed down men's throats as a punishment of their infidelity, who would not believe a Lombard to be a bank; and here was occasion for the power of an Act of Parliament, at least, to conjure every man's imagination into the latitude of theirs. Thus, we see the genius of some of our countrymen is as vastly above and beyond, as others are below and beside the practice of extraordinary things.

"Thus, between the new acquired maxims of our modern politicians, on the one hand, and the incomprehensible notions conceived on the other, it became very scandalous to countenance or espouse anything of a proposal relating to a bank. But when this war began, the credit of the nation was low; and the wits on both sides found no better and honester way to supply the necessities of the government, than by enhancing the price and interest of money, the effect of which was, that the government was obliged to pay from double to treble, or higher interest. The disease growing worse daily, men were tempted to draw their effects from trade and improvement, and found the best and seenrest gains in making merchandise of the government and nation.

"For remedy of this, it was proposed some years ago, that a public transferable fund of interest should be established by Parliament, and made convenient for the receipts and payments in and about the cities of London and Westminster, and to constitute a society of monied men for the government thereof, who should be induced, by their interest, to exchange for money the assignment upon the fund, at every demand. In this manner, it was proposed, that the constitution of this fund should, in the practice, answer the end as a public transferable fund of interest, of a bank, and of a public Lombard at once; and a good part of the effects of the nation might, thereby, be rendered useful to the trade and

business thereof; which would, of course, have lowered the interest of money, and prevented the drawing thereof from the counties and places remote from trade. But no sooner was this proposal stated by A SOCIETY of considerable persons, than the notion of *currency* was started, and carried so far before it was well perceived or understood by them, that it then proved of pernicious consequence to the success of this undertaking. Some understood it only as a convenience, others, as it seemed it was at the bottom intended, a downright farce, the effect of which would have been to turn the stomachs of mankind against it, *coercion being of sufficient force to mar a good thing of this nature*, but never to mend a bad one.

"All this while, the very name of a bank or corporation was avoided, though the notion of both was intended, the proposers thinking it prudent that a design of this nature should have as easy and insensible a beginning as possible, to prevent, or at least gradually to soften and remove, the prejudices and bad impressions commonly conceived in the minds of men against things of this kind, before they are understood. But the sort of people who ought, and in whose power it was to encourage this undertaking, could no ways understand it; which put the proposers upon heightening the proposal for interest, and upon particular undertakings for the sum proposed, which at several times, and upon divers occasions, produced certain narrow and sinister de-

signs, no way becoming so noble and universal a work as this.

"As the proposers found great discouragement from one sort of men, who could by no means reconcile this proposal with their own apprehensions and the old Norman way of borrowing money, so others seemed to understand it too much, and would only have it proposed at 4 or 4½ per cent., whereof 3 per cent. to be allowed to be paid, and the remainder for those who should forward money to circulate the same; for otherwise, say they, it will clean discourage land, as everybody will be for disposing their money upon so convenient, clear, and secure an interest, rather than expect something more with trouble and uncertainties. But afterwards it was found convenient to put it to hazard, and expose so much of the nature of the thing, and its constitution, as was needful to have it espoused in Parliament.

"But though the gilded name of a *bank*, and the popular one of a *corporation*, became more favourable to the senses of a sort of people who wanted the money; yet, what by the instigations of a few from a principle of interest, and of some who were no great friends to the government, as from some jealous apprehensions arising out of the newness and strangeness of the thing, divers otherwise well-meaning people became possessed with monstrous and frightful ideas and conceptions of the matter. This begat whole swarms of objections, which are hardly ever like to be answered, unless it be with one another, or with

the practice, or at least until the antagonists have reconciled their positions.

"One pretended patriot comes and tells us, this design will make the king absolute, by becoming master thereof, nor is there any way to prevent it; *for*, says he, *rich and monied men, we find by experience, are naturally timorous and fearful, and are easily brought to comply with the times to save what they have.* And the keeping of this fund being of necessity committed to such, the prospect of their profit, in conjunction with their natural easiness, will of course induce them to join with the prince, who is always best able to encourage and support them.

"Another comes, with a boast, and tells ye, that he, or his grandsire, uncle, or some of the race, have been abroad in some country or other, and in all their peregrinations they never met with *banks* nor *stocks* anywhere, but only in republics; and if we let them get footing in England, we shall certainly be in danger of a commonwealth. Nay, he goes further, and tells you, that the very establishing of a bank in England will of course alter the government; for that is to invest the funds of the nation in the hands of subjects, who naturally are, and will always be sure to be of the popular side, and will insensibly influence the Church and State.

"Some, who pretend to see further into a millstone than others, will undertake to make it plain, that it will raise and enhance the price of land, and utterly discourage and ruin trade; *for, by this means,* say

they, *all real securities will become current, or as near as good as current, in or by the bank*, which will very much lessen, if not put an end to the credit of personal securities; for usurers will be content with such an easy, secure, and convenient profit, rather than hazard their principal, and embarrass themselves in trouble, for a greater interest.

"Others of the learned tell us that this bank, or fund, will be so profitable, easy, and secure, for receipts and payments, that all the money of the nation will naturally run into trade, and none will be left to purchase land, since men may continue their money in bank, on demand, upon the best security in Europe, and yet have a daily interest running upon it, and thus have trade and real estate at once.

"But to leave the objectors to compare notes, reconcile their notions, and answer one another, it may be to better purpose to pen some brief account of the nature of this intended bank, with the good effects and consequences which may be expected therefrom; and, in the first place, it is necessary to premise, whatever our notionists may imagine to the contrary,—

"1st, That all money or credit, not having an intrinsic value to answer the contents or denomination thereof, is false or counterfeit, and the loss must fall one where or other.

"2d, That the species of gold and silver being accepted and chosen by the commercial world as the standard or measure of other effects, everything

else is only counted valuable as compared with them.

"3d, Wherefore, all credit not founded on the universal species of gold and silver is impeachable, and can never subsist either safely or long—at least till some other species of credit be found out and chosen by the trading part of mankind, over and above, or in lieu thereof.

"Thus, having said what a bank ought to be, it remains to shew what this is designed, and wherein it will consist.

"This bank will consist in a revenue and income of 8 per cent. per annum, for and upon the money subscribed; and what profits and improvements can be made from the business or credit of the bank, will be divided among the proprietors. Thus, this company or corporation will exceed all others of that kind known in the commercial world. For here will be 8 per cent. per annum certain upon the capital, and as good and great a probability of other profits as ever any company had; and, as to the security of the bank, for such as may entrust their effects therein, it will be clear and visible, and every way equal to, if not exceeding, the best in Christendom. For the other funds or banks in the Christian world, at best have only effects to answer, without pretending to have anything over. Nor are they corroborated by the interest, property, and estates of private men, that of Genoa only excepted. But this bank will always have £1,200,000, or £100,000

per annum, over and above effects, to answer whatever credit they may have. For the company will be obliged never to make any dividend but out of the yearly profits arising from their capital stock or fund; nor will they ever make any dividend out of the profits, until after two months' notice, that such as apprehend the security will be weakened thereby may have an opportunity to withdraw their effects before the same be made. Thus, a society of private men will be obliged, by their estates and interests, to strengthen and corroborate the public security of this bank.

"As to the common objection of the danger from alteration or change of government, this foundation is grounded upon a revenue that cannot fail but with the nation, settled by Parliament for the uses thereby limited and appointed. It will for many reasons, both of right and interest, become the best and highest property grounded upon so just and valuable a consideration as the value paid to their Majesties, for the use and service of the government. And there being no country in Christendom where property hath been more sacred and secure in ages past, notwithstanding all our revolutions, than in England, it must needs follow that nothing less than a conquest, wherein all property, justice, and right must fail, can any way affect this foundation; but in such a case this would be but in common with everything else.

"Being to shew how this design may redound to the benefit of the trade and improvement of England, we find our politicians have split the connexion the better to understand the fact, and distinguish between the interest of land and trade, as they have lately done between that of a king and his people. The truth on't is, they are possessed with a sort of factious reason, which runs extremely upon division and separation. When any principle or position proves too heavy for their heads, they are presently for dividing it; and as it was of spite, because they cannot apprehend themselves, they employ their faculty to reduce everything to such confusion as not to be understood by anybody else. But, until our politicians are pleased to shew some better reasons than they have hitherto done, for splitting the interest of land and trade, we will leave it as it is, concluding *that they are, and were, and ought to be* in and of one and the same interest; and, as such, we shall consider how this Bank may be beneficial to both.

"It is an infallible sign that money abounds and is plentiful, when the interest thereof is low; for interest or forbearance is the price of money as it is lent; and if money be plentiful, people will thereby be enabled or induced to trade and purchase, as by the plenty of money other things must in proportion bear the better price. And if the proprietors of the bank can circulate their foundation of £1,200,000, without having more than £200,000 or £300,000 lying dead at one time with another, this bank would be in effect as £900,000 or £1,000,000 of fresh money brought into the nation; and £9,000,000 or

£10,000,000 that must have been employed in doing what the bank will supply, may be employed to other purposes. And as the effects in this bank will be a growing and increasing money, and bring great advantage to trade by the secure, easy, and convenient way of receipts and payments therein—by its safety from fire, thieves, and other disasters, which gold and silver are liable to—by its giving a profit upon a great part of the running cash of the nation, the practice of which will naturally and gradually lower the interest of money, as it has done in Holland, Genoa, and all other places where banks and public funds are used: all this will render it the highest interest of the government and the people, to preserve, maintain, and improve it in all time to come.

"Whatever the groundless jealousies of men may be, none can reasonably apprehend any other consequences of this design to the government or nation, but that it will make money plentiful, trade easy and secure, raise the price of land, draw the species of gold and silver into the hands of the common people, as we see it in Holland, Genoa, and other places, where these funds are accommodated to occasions and payments. It will make the stock or fund of the nation go abundantly further than otherwise it could. Thus, the effects of the nation will, at an easy and reasonable rate, answer the end, and command the use of ready money—that we may no longer be a prey to consuming usury; that the many landed men in England may be delivered from the oppressions they too frequently lie under from the few that have money; and what ought at all times to command money readily and easily, will hereby be put in a condition to do it. Nor can it be reasonably supposed to make any alteration in our government, unless it be to make property still more fixed and secure, and to link the people more firmly to our English constitution, and insure them, as it were, against the state of change. Whatever a sort of people may pretend, who profess themselves to be greater friends to borrowing than to lending Parliaments, and whose talent lies not so much in removing inconveniencies as in finding them, men are the best, the truest, and most natural defenders or guardians of their own properties and estates; and we have hardly ever found the liberty and property of England wronged, but by such as had too great share therein, and who, for want of money, have often sold what was none of theirs.

"It is worth any one's observation, to take notice how much, and what sort of unusual opposition this proposal has met with. Why not the like strugglings against the chimera of survivorships, our funds for lives, or the late lottery? These, however they have succeeded, the same funds might have raised double the money, and been nearly as soon paid off, and have been funds beneficial to trade and the industry of the nation; whereas the other was quite contrary, nurses of idleness, baits of vanity, possessing the people with a certain sort of

levity and giddiness, and filling them with fond expectations, destructive to their welfare and future improvements. But there are three sorts of people, how much soever their interests and humours differ, who have unanimously joined issue against the undertaking, and notwithstanding all civilities shewed them,—*the Jacobites,* who apprehended it may contribute to lessen their monarch of France; and some few usurers and brokers of money; and the third sort are commonly such as have not wherewith to trade, unless it be, like Haman of old, in whole nations and peoples at once. But, after all, the happy effects of this undertaking, like almost all other great things in trade, will be best understood by the practice thereof. When time shall convince the ignorant, and when men will come to apprehend it as it is, then these conceived hobgoblins, frightful monsters, and horrid spectres, with which some are possessed about us, shall vanish, cease, and be no more.

"To conclude, reproaches and aspersions on such a work as this are neither new nor strange, as being the common fate of all good and generous undertakings that are, or ever were, in the world—the nature of men being bent against everything which they fancy innovation; as well out of a fond and presumptuous principle, that they have known, or at least ought to know, more than others, as out of a natural unbelief or suspicion of all they cannot see, *which makes them follow success, or anything like it, more*

than reason, and example more than rule. But the apprehension and difficulties which were in the way have not discouraged the proposers from doing their utmost to bring the designed work to perfection, *which seems to be reserved for such a time as this,* the better to enable the government and people of England to revive, recover, and transmit to posterity the virtue, the lustre, and wonted glory of their renowned ancestors; and to lay a foundation of trade, security, and greatness, within this kingdom, for the present and succeeding ages."

It has been a matter of much doubt whether the Bank of England was originally proposed from a club or society in the city of London. The "Dialogue Conferences of the Wednesday Club in Friday Street," have been quoted *as if first published in* 1695. No such publication has been met with of a date before 1706; and in the notices of the volume published in that year reasons will be stated for supposing it was not preceded by another book. The society mentioned in p. 83 above doubtless recognises a body with which Paterson concerted the new financial system. But that cannot reasonably take from him the credit of having written the valuable books with his Club's title.

CHAPTER VI.

1695.

Paterson proposes to found the Orphan Fund Bank; and quits the direction of the Bank of England, upon a difference of opinion with the majority of his colleagues—He was not expelled—The Bank of Scotland formed without his participation—Great distress in Scotland—Law's paper scheme for relief resisted by Paterson.

THE funds of the Bank of England and its plan did not extend wide enough for the needs of London, according to the views of Paterson, in regard to the applicability of credit to those needs. Just as the wants of the public service had been supplied by the new corporation to a limited amount, so he designed to carry the principle of joint-stock banking out to relieve the corporation of London in a difficulty it had been for some time exposed to, on account of money due to the city orphans. Some scandal had attached to the case; but only for want of good management, as there was an ample revenue to pay the interest of the debt. This revenue Paterson proposed to settle as a basis of an *Orphan* Bank, which he failed to establish. The unhappy death of Mr Godfrey, at Namur, had weakened him among the directors, who did not approve of that new business. He

therefore sold the stock he held as a qualification for his seat at the board, which was a voluntary withdrawal from it. This being done concurrently with some strong expression of difference of opinion between him and the majority, who held that he was not entitled to do *any other banking business but theirs*, a notion seems to have got abroad, even at that time, that his secession was discreditable. A very curious document, to be set out presently, relative to Paterson's next enterprise—the Darien Colony—alluded to the circumstance in this sense. On the most formal occasions, however, he did not himself hesitate to refer to his connexion with the Bank of England as perfectly free of all occasion of reproach; and he so referred to it, as to an institution he had originated without the recompense due for so signal a service. This he certainly would not have ventured to state in that way, at the time, if open to so grave a retort, that he had been expelled from that institution for fault or even error.

In this year, 1695, the Bank of Scotland was founded; but not with his participation, as sometimes thought. On the contrary, in a letter from himself to the Lord Provost of Edinburgh, upon the subject of the African and Indian Company, he distinctly states that they have to regret the formation of this bank, as it will injure them. Nor has any evidence been met with, tracing to William Paterson the devising of what is peculiarly Scottish banking, which seems to have attained its present character

gradually, and under circumstances which were never discussed by him, or his contemporaries.

More than twenty years after the Bank of England was established, the opposition made to it was related by Paterson himself in his "Wednesday Club" Dialogues of 1717. This last account is as follows; the interlocutor in the Dialogue, "Mr May," being well known to signify Mr Paterson, as will be shewn in the chapter to which the chief topics and their points belong.

The opposition described in these dialogues, being of a character resembling the remarkable resistance of many powerful men to the original formation of the Bank of England, gives a proper occasion for this narrative of the beginning and early days of that institution.

The *Club* had reported the angry way in which "several eminent public creditors, particularly the most considerable dealers in stocks," received the news about the proposed paying off the national debt:

Thereupon, Mr May said, "The same passions and humours seem to reign in these, as in some before, and at the time of the establishment of the Bank of England. The men who were then supposed to have most money, opposed and appeared against it with all their might, pretending it could not do without them, and that they were resolved never to be concerned. Some of them, the very night before the subscription began, were said to have wagered

pretty deep, that £200,000 of the proposed £1,200,000 would never be subscribed.

"Nevertheless, upwards of £340,000, with a fourth part paid in at the time of subscription, was the very next day subscribed, and the remainder in a few days after. The further effect of the institution on the public service is sufficiently known—which might have been still more extensive and considerable, if not unaccountably cramped and depressed in its infancy and growth by the continuance and increase of the former sort of fatal measures, and by the very men who, for several years before, had officiously obstructed the rise thereof."

"What, then, were the things which nipped the otherwise so promising prospects of the Bank in the land?" said Mr Grant.

"The neglects and defects in the management of those then in power," replied Mr May; "particularly those of them at the head of the money matters, who, by bad and partial payments—creating deficient debts—giving and allowing exorbitant interest, high premiums, and discounts—contracting dear and bad bargains—the general debasing and corrupting the coin—and such-like, brought things to the pass, that even eight per cent. interest on the land-tax, although payable within the year, would not answer.

"So that, besides the many other mean applications and condescensions to the humours of particular men, the state-officers and privy-councillors of that

time were brought to stoop so low as to become frequent solicitors to the Common Council of London, to borrow only £100,000 or £200,000 at a time, on the part payment of the land-tax, all payable within two years, and then to stipulate and receive guineas at 22s. per piece, besides still further securing allowances on such occasions, which one may suppose to have been considerable. As the state-officers deigned to become suitors to the Common-Council, so were the particular Common Councilmen to the inhabitants of their respective wards, going from house to house, as our parish officers do in case of briefs for fire, for building and repairing churches, or the like; insomuch, that the interest of eight per cent. and premiums, allowed on the very land-tax, amounted hardly to less than the rate of twelve per cent. per annum in the whole.

"The several sorts of other anticipations of the public revenues were much higher; the interest, premium, and discount thereon running up to 20, 30, 40 per cent., or more; and contracts for things sold to the government were made on the foot of 40, 80, to 100 per cent. above the current value."

"After all," said Mr Sands, "you cannot say but those good men took a great deal of pains, but to little purpose."

"To little purpose for the public, I suppose you mean," said Mr May; "you need not doubt it was to great purpose for themselves."

"However," replied Mr Sands, "it seems to me, by what they did, they must want understanding as well as good meaning; otherwise, it were impossible these things could have gone, or been suffered to go thus."

"It was a *Hebrew* proverb," said Mr Brooks, "that *he that is slothful in his work is brother to him that is a great waster*" (Prov. xviii. 9).

"And it 's an *English* proverb," said Mr May, "that *lazy people always take most pains*. For, if these men could have sought, nay, but have received the *truth* when offered them, these things might, with less means, have gone much better."

"But," said Mr Ford, "could they have got as much by it? otherwise, it was not worth their while to take the truths thus offered for nothing, and still less to buy it, according to the advice of King Solomon" (Prov. xxiii. 23).

"Less than a penny in the pound of the current waste of the public revenues, tolerably well employed to that end," said Mr May, "might have furnished them with sufficient light for retrieving the whole matter. Thus," continued Mr May, "they not only squandered away a great revenue, by them received clear at the Revolution, but likewise made a shift to contract at least £3,000,000 of debt in three years, though the public services then on foot were still ineffectually provided for, as is sufficiently known."

"I can but think," said Mr Speed, "how joyful men in those circumstances must be at hearing of

the proposition for the Bank, which, I remember, was first made at that time."

"The proposition of the Bank," said Mr May, "was first made in the months of July and August 1691, and, so far from being well received, nothing was permitted to be done in it till three years after; and then but tamely neither, and far from the extensive nature and other public advantages concerted in the proposition."

"What then did they say to it?" said Mr Speed.

"Some said it was a new thing, and they did not understand it," said Mr May; "besides, they expected an immediate peace, and so there would be no occasion for it. Others said, this project came from Holland, and, therefore, they would not hear of it, since we had too many *Dutch* things already; and we must not think people here would trust their government as they did in Holland, where things were better settled; and such-like."

"These must have been only loose expressions among mean people," said Mr Speed. "Sure none of King William's servants could possibly behave themselves thus."

"The first framers and proposers of the Bank of England, who were only particular men, and not in public places and preferments," replied Mr May, "found, to their no small surprise, that the king and his government were nowhere so much distrusted as by the very men of his own house, and some of those he most trusted. Otherwise, as the due sense

the people had of their great deliverance naturally endeared the late King William more to them than any before him, so, notwithstanding the repeated injuries and sufferings from the ill management of his servants, the body of the nation continued still sound, and willing generously to venture their money, as well as their persons, in the public service, if those their managers would but have led them, or, indeed, but have let them go in the right way."

"Since they did not advance the proposition of the Bank," said Mr Hunt, "sure they at least found as good or better means to support the public service."

"Not at all," replied Mr May; "they went from bad to worse, and continuing not only to double the old, but likewise lay more taxes on the people, still permitting, or, if we may judge by appearances, even allowing the coin to be further diminished and debased, though frequently warned of the fatal consequences which followed, by the same persons who first made, and still strenuously continued to solicit the proposition of the Bank."

"But pray what did they say to the proposers and promoters of the Bank about putting a stop to the debasing of the coin?" said Mr Sands. "I never saw or heard of any public corruption look more like wilful than that."

"In the same month of July 1691," said Mr May, "those who solicited the proposition of the Bank

also represented the ill consequence of suffering the coin to be further diminished and debased, and only then proposed that the treasury would forbid the receipt of false or diminished money in the public revenue; which, at that time, would have been effective, and crushed that dangerous and consuming evil in the bud at *much less than a tenth part of the hurt it afterwards did.*

"This they would not do, nor meddle in it till the king returned, who was then abroad.

"At the return of the king, the proposers again made application, that if the treasury would not venture of themselves to forbid the receipt of bad money at the respective offices, that at least the king might do it by proclamation.

"After the attendance on this affair for some weeks more, the proposers received for answer that it could not be done but by Parliament.

"They, thereupon, made their instances at the treasury for application to Parliament for that purpose. But, to their great surprise, they, last of all, received for answer that no stop could be put to the currency of diminished and debased money till the peace, which they suddenly expected;—particularly since so much money was even now, as they then said, carried abroad to pay the troops, and for other services of the war, they apprehended still much more, if not all of it, might be exported, if a stop should be put to the diminishing or debasing the coin."

"At this rate," said Mr Shaw, "it should seem that those of the revenue then understood money and money matters less than other people. But what other means did they use to support the service of the war, since they would not meddle with the proposed Bank?"

Mr May explained how improvident taxes and lotteries were resorted to—that, "upon the whole, they so managed matters the three last years, from the first proposition to the establishment of the Bank, as that the debt of three million was more than doubled. At last, with much ado, they ventured to try the proposition of the Bank, although not so as to affect the general credit for the better so much as at first designed, but only as a loan expedient for £1,200,000; and, therefore, with the express condition, that if one moiety of that sum should not be subscribed on or before the 8th day of August 1694, that there should be no Bank, only the whole £1,200,000 to be struck in tallies for the managers to dispose of at pleasure.

"This they strongly insisted on, even after the passing the Act of Parliament 5 and 6 W. & M., cap. 20, in opposition to the commission for taking the subscriptions to the Bank, pretending it would never do, considering the people had but eight per cent. interest, and that the principal was never to be paid.

"With such sort of speeches, her late Majesty Queen Mary was detained in council from four in

the afternoon till ten at night; and, had it not been for the queen, who insisted on the express order from the king, then in Flanders, the commission had not passed; consequently, notwithstanding all the former pains and expense of private men about it, there had still been no Bank."

"I am glad," said Mr Hunt, "to hear so much of the merit of our obtaining the Bank, cramped as it is, still due to good King William. If his foreign affairs and continental wars had not diverted him, I doubt not but many of the ill things in the money matters had been prevented, and some more good things attained unto."

"It was unfortunate enough for him and the nation," said Mr May, "that the multitude of King William's foreign affairs, and other circumstances, obliged him so to entrust the very reins and springs of his government to servants, wherein he had only the usual success of others in like circumstances, who have, by experience, found that unreasonable trusts will hardly ever fail to make even good servants bad; and that princes, who are for troubling themselves least with their governments, usually have most trouble with them."

"To the point in hand," said Mr Jones from the chair; "how did it go with the subscriptions to the Bank, and what were the consequences?"

"Notwithstanding the still continued opposition, the subscription was completed in about ten days, as before hinted," said Mr May, "and the whole

money paid into the Exchequer, without deduction, in somewhere about as many weeks.

"After which, the Bank not only relieved the managers from their frequent processions to the city to borrow money, on the best and nearest public securities, at 10 and 12 per cent. per annum at least, but likewise gave life and currency to double and treble the value of its capital to other branches of the then public credit; and so, under God, became the principal means of the success of the campaign in the following year, 1695, particularly in reducing the important city and fortress of Namur—the first material step to the peace concluded at Ryswick two years after.

"The which peace, precarious as it was, considering the then low and distracted circumstances of this nation, could not, humanly speaking, have been ever so obtained, without some such seasonable relief and support as that of the Bank proved to be.

"This considerable success must, under God, have sooner and better effected the peace, had not the almost fatal symptoms of the general corruption of the silver money then, like covered flames or distracted torrents, universally broke out upon the nation as it were at once.

"Guineas, on a sudden, rose to 30s. per piece, or more—all currency of other money was stopped—hardly any had wherewith to pay—public securities sank to about a moiety of their original value, and buyers hard to be found even at those prices;—no

man knew what he was worth—the course of trade and correspondency almost universally stopped—the poorer sort of people plunged into inexpressible distress, and, as it were, left perishing—whilst even the richer had hardly wherewith to go to market, for obtaining the common conveniences of life.

"This diminution of the old hammered money began first to be perceived, here and there, towards the latter end of the reign of King Charles II., and continued, but so as not to make much progress, during the four years of the reign of James II. But it was increased by admittance into the receipt of the public revenues at and after the Revolution, when, by reason of the great expenses of the war which ensued, those receipts and payments became double, at least, to what they were before.

"Thus its effects, as hath been hinted, soon began to be sensible, and every day grew heavier, so as, about the time of the subscription to the Bank, to become a visible let and obstruction to all business; and still more particularly in the following years, 1695, 6, &c.

"Public credit being thus put to a stand, the Bank was deeply a sufferer among the rest; and so could not continue to contribute to the service, as doubtless otherwise it might and would have done.

"This addition of the intolerable corruption of the coin, with its direful effects, which, considering the circumstances, was alone sufficient to have provoked any nation on earth to extremities, being thus added

to the before-mentioned insufferable neglect and oppression, was certainly more than enough to make any people desperate. Nevertheless, the remainder of gratitude in the people to their deliverer, King William, was even still such, that they bore these inexpressible afflictions with an inimitable temper and patience.

"The Parliament (7 W., cap. 1) spared no expense or pains in setting about the reforming and redressing this ill state of the coin, and might still have done it easier and better, if those of the revenue instead of assisting, had not obstructed it."

"That was strange," said Mr Brooks. "Pray, wherein did the then managers of the revenue obstruct the remedying the ill state of the coin?"

"*In the first place*," said Mr May, "they endeavoured to have the value, as they called it, or, to speak more properly, the denomination of the money altered, viz.: That about nine pennyworth of silver should pass for a shilling.

"*Secondly.* They did not soon enough give in to have sterling silver pass at 5s. 2d. per ounce, being the equivalent of the melted money."

"That should have been done at first," said Mr Brooks. "I remember it was proposed by some, that, during the time of re-coinage, the bullion should be lodged in and circulated through the Bank, instead of being immediately locked up elsewhere, as it afterwards was."

"That had certainly been the proper vehicle for

conveying the credit of the bullion towards making the greater payments during the re-coinage," said Mr Sands; "besides the good effect it must otherwise have had in restoring and better establishing the institution of the Bank."

"*Thirdly*," continued Mr May, "they officiously altered the standard of the plate, by making it two pennyweight purer than sterling, by which there was not only greater room left for frauds, but the silver made thereby more subject to wear and diminish."

"However, it seems the Parliament (8 W., cap. 2) did at last direct the sterling bullion to be current at 5s. 4d. per ounce," said Mr Grant.

"Yes," said Mr May, "but not till 1697, when about three quarters of the re-coinage, and, consequently, of the difficulty was over.

"Thus, while our neighbouring nations expected we should sink under this burden, and some were even prepared to receive us as a province, the strength of mind, constancy, and magnanimity of our people overcame it all. After this we obtained the before-mentioned peace of Ryswick, which, such as it was, at least gave hope for some breathing time.

"The severe loss to the nation on account of re-coinage was about £3,000,000; and the other sufferings, by that disorder, were at least as much more.

"Besides this almost fatal blow to the credit and very being of the Bank, some other things then fell out greatly to its disadvantage, particularly an in-

graftment was put thereon, not altogether with the consent of the proprietors.

"Two of the persons who had been most eminent in the framing and establishing of the bank, soon after went abroad to different places, when one of them (Mr Mich. Godfrey) died, to the no small loss and detriment of his country; and the other returned not till some years after.*

"However, the Bank at last overcame these and the like difficulties, so as since to be serviceable to the public on several occasions sufficiently known.

"I confess the marvellous temper and patience of our countrymen, under such long continued and multiplied pressures, ought always to be remembered," said Mr Hunt; "but, meanwhile, were there not some who made use of the pretence of these grievances as handles towards dividing and distracting the people?"†

This pregnant question having led to some severe remarks in the Club upon political intrigues, the chairman brought the discussion back *to order*, by asking, "How did King William's affairs, particularly that main one of the public credit and money matters, go after the peace of Ryswick?" which question leads to a narrative of great interest by Paterson himself, that belongs to the last year of King William's life, recording his Majesty's confidence in

* Alluding to himself, Mr Paterson, who returned to London in 1701.

† "Wednesday Club" Dialogues, 8vo, p. 64-79. London: 1717.

Paterson at that momentous period of our history. This narrative will form a chapter of the present memoir for the year of the date of the incidents in question, namely, 1701–1702.

The foregoing genuine narrative, which is unquestionably a portion of a book published, for the first time, in 1717, in the reign of his Majesty King George I., has been attributed, by a curious bibliographical mistake, to the year 1695; and the very great credit of planning the Bank, modestly here shared by Mr Paterson with his friend and brother merchant, Mr Godfrey, has been transferred to *a real Wednesday's Club* of that year, 1695. The fact seems to be quite otherwise. In the above-quoted tract of 1694 (p. 80), a "society" is mentioned as interested in promoting the Bank; but no evidence has been discovered that the "Wednesday Club," to the members of which these dialogues are attributed, existed, except in the mind of Paterson. He gave the same form to his important speculations upon the Union, which will be analysed in a future chapter, and on the subject of which his financial friends had no common feeling with him.

At a somewhat later period, the introduction of paper money, as a legal tender, without the obligation to pay its value in cash, was vigorously attempted by John Law in Scotland. With this object, he, in 1705, published a volume, entitled, "Money and Trade Considered, with a Proposal for Supplying the Nation with Money." The difficulties

of the country were extreme. Bad harvests had concurred with its large losses in the Darien expedition, to cause unexampled distress among all classes and all parties. Law's forced paper proposals were attended by as many like them as had been produced in England by the distress in trade and finance during a few years after the Revolution of 1688. Upon the present occasion, as then, paper-money, easy to be made, and readily negotiated by any who should be favoured with its possession upon credit—that is to say, without any other engagement than to pay its nominal amount in paper again—beguiled honourable men and statesmen of distinction. It was John Law's proposal, that "forty commissioners, appointed by Parliament, should coin notes to be received in payment, when offered."* Among his powerful supporters were the Campbells, to whom he was allied through his mother; and Bailie of Jerviswood is recorded to have been zealous for the scheme.† But the public judgment was not then led astray, as upon the disastrous promulgation of the same financial views in Paris and London fifteen years later.

* Money and Trade Considered, 4to, p. 84. Edinburgh: 1705; and 12mo, p. 96. Glasgow: 1761.

† Sir David Hume's Diary of the Proceedings of the Parliament of Scotland, 1700–1707, published by the Bannatyne Club. It is stated, p. 163, that, "in July 1705, the Parliament was busy with the coyn and trade;" and, p. 164, that Jerviswood "proposed remedies out of Law's book." In p. 166, however, the Duke of Hamilton is stated to have been "against Dr Chamberlen's proposal, but the Earl of Stair seemed to be on a middle course."

But it will be readily believed that Paterson would not be an indifferent bystander when so great a danger threatened his country. He had, almost single-handed, stopped inconvertible paper-money in England twelve years before, after a committee of the House of Commons had passed a resolution in its favour. He had devoted ten years to more legitimate ways of advancing the welfare of the Scottish nation, and although disaster upon disaster attended his and an unanimous people's great efforts, it can be demonstrated, and will be shewn presently most clearly, that no blame attached to him for the failure of those efforts. Upon the present occasion, then, being, as he was, in the maturity of his experience, and respected by all men, he was likely to speak out with his accustomed boldness and power, to expose this vital danger. The following tract is believed to contain his views upon it, and upon the wiser course he advised in order better to revive the sinking fortunes of the state.

It is satisfactory to know that the Parliament of Scotland took the same view of the matter, declaring that the issue of paper or bills, without an obligation to pay them in coin, was not consistent with the welfare of Scotland.*

To meet the delusion likely to attend Law's work, the following tract appeared in the year 1705, without the name of the author, or a publisher, or place

* The Lockhart Papers, 4to, vol. i. p. 117. Edinburgh: 1817.

of publication. From its style and matter, Paterson is believed to have written it. The title is: "The Occasion of Scotland's Decay in Trade; with a Proper Expedient for Recovery thereof, and the Increasing our Wealth."

"The present calamity," says the author, "under which this nation labours, in relation to all the branches of commerce, obliges me to discourse a little of trade. And to this I am the more prompted, in respect that I shall treat the subject in a manner different from what has been hitherto proposed. First, I shall shew the undoubted occasion of our present distemper. Secondly, I shall apply a seasonable and easy remedy. And these my thoughts I submit to the censure of the judicious.

"The flourishing or decay of trade renders a state happy or miserable. It is, therefore, a matter of the greatest concern exactly to consider whether trade is managed with advantage or loss. Since every one does not employ their thoughts in this necessary reflection, it will be of no small use to expose the reasons of our gain and loss in trade to the full view of the meanest capacities. In which performance, the occasion of our present misfortunes may be easily discerned.

"A kingdom grows rich or poor, just as a private gentleman does, and no otherwise. In order to a clear illustration of this position, let us suppose that one gentleman possesses one of the islands of Orkney. This gentleman manages his island-estate so fru-

gally, that, besides the handsome maintenance of his family, he sends to Leith, of his yearly product, cattle, corn, wood, cloth, linen, and other commodities, manufactured within his own possessions, to the value of one thousand pounds. And, in return of this, he carries home salt, wine, oil, spices, and fine cloth, to the value of nine hundred pounds, and the remaining one hundred pounds in cash. By this, it is evident, he is a gainer in one hundred pounds per annum, so that, by this course of trade, at the end of ten years, he will have of clear profit one thousand pounds. If this gentleman would be such a good husband as to indulge himself with less superfluities of wine, spices, silks, tobacco, &c., and content himself with the native growth of his own land, in that case he might bring home five hundred pounds yearly; so that at the end of ten years, he will be master of five thousand pounds; and this is the happy result of parsimony. This laborious gentleman dies, and his son succeeds—a fashionable young beau, who cannot dine without his wine, spices, and other palatable ingredients. His stables must be furnished with the finest horses that Scotland can afford. His wife and children must be dressed up in costly silks, after the Edinburgh fashion and cut. In short, he grows very effeminate in his eating, drinking, and furniture. His family, being increased by large attendance, requires more wages, wine, spices, &c., than in his father's time. And to inflame these expenses the more, this nice gentleman takes a trip

to Court. By this extravagant career the son spends eleven hundred pounds yearly. What comes of this? He lives, it is true, in pomp and splendour; but this method inevitably drains him of the money his father left him.

"By this way of management, he is yearly poorer in one hundred pounds. His debauchery and idleness occasion the neglect of his affairs, and disorders in his manufactures. Thus, his fortune is insensibly decayed and mortgaged; and the issue of all is, that the son is declared bankrupt, which occasions a great disturbance in his family, and ends in the ruin thereof.

"A private estate and a kingdom, in this respect, differ no more than as greater or lesser. We may trade and be busy, and grow poor by it, unless we regulate our exorbitant expenses; and if neglects, disrespect, malice, and treachery disturb our manufactures, let it be upon what pretence it will, we shall ruin the faster.

"By this obvious comparison we may see, that the balance of trade will never be on our side, unless, by our frugal management, we export more of our native commodities, and import less of superfluities; otherwise the nation will be impoverished, and drained of its wealth.

"The occasion, then, of our present distemper proceeds, as I have already hinted, in an overbalance of foreign goods.

"Having thus shewn the disease, I come next to

apply the remedy. The only way whereby we may emerge out of our present difficulties, is by a due improvement and culture of the produce of our native land. By this, Scotland will be enabled, not only to supply its own wants with its growth, but yearly furnish other countries with valuable commodities manufactured within ourselves; in exchange of which we would receive, from foreign countries, either silver or such goods as are absolutely necessary for our support—as iron, tar, flax, &c.; and when the balance of trade inclined on one side, then wine, spices, &c., might be allowed to be imported for the use of the luxurious. The inbringing of wine, brandy, tobacco, silk, spices, or other unnecessary commodities, is the unhappy occasion of the export of our money. The want of cash reduces us to hard circumstances, and impedes the consumption of our native growth.

"The vast import of wine and brandy is very prejudicial to the interest of the landed gentlemen. For, if these foreign liquors were prohibited, the corn would not only give us greater prices, but the same might be distilled into such wholesome and well-tasted liquors, as might supply the place of brandy in all its effects of taste and flavour, which might also prove a good cordial.

"Our malt drink may, with a little pains and industry, be rendered as palatable as the English ale, which would agree as well with our constitution as wine. It is but very reasonable we should abstain

from the excessive use of wine, spices, sugar, Holland linen, tobacco, China ware, and other gewgaws, when the nation is sunk so low in credit, that men of very good fortunes cannot procure money to answer their necessary demands.

"The trade of brewing, which is the most consumptive of the nation's produce, would, by a prohibition of wines, be encouraged, which is now so much decayed, that the brewers cannot obtain so much money as to pay the importations on malt. The present scarcity of money, and the allowance of foreign liquors, discourages their employ, especially when the tacksmen's demands must be punctually answered.

"The tillage might be further improved by sowing of *lint-seed*, by the neglect of which we are obliged to buy foreign seed and lint; whereas, if our ground was enclosed with trees, so as to be fenced from the winds, the lint, growing in such a place, would prove as serviceable as what we purchase from Sweden and Denmark, whose climates are colder than our own.

"It very well deserves our thoughts to consider whether or no the export of wool be prejudicial to the interests of the nation, and of the manufacturer in particular. For, in furnishing Holland, Denmark, Sweden, and other countries with wool, we supply them with materials to undermine our manufactures. Since our wool has been vented abroad, our coarse cloth, stockings, ginghams, &c., lie upon the mer-

chant's hands, and a very inconsiderable part thereof are sent abroad, for which the merchant does not find encouraging sale, because those foreign countries can serve themselves by the factorage of our wool. I desire not to be mistaken in this particular, or that I would have the export of wool discharged in general. I judge the carrying out of English wool turns to an advantage upon several accounts. But, since Spanish and English wool, mixed with ours, raises the value of our cloth, and consumes our money, it would not be improper to discharge these expensive ingredients, by setting a value upon our finest cloths, so as not to exceed fifteen shillings per yard. This would occasion a thorough consumption of our wool, to the great advantage of the wool-masters, and to the encouragement of the manufacturers; which, also, in some measure, would amount to a prohibition.

"To enumerate every particular product of our land would be tedious; but the only imaginable ways of increase of money in any country are these two: either to dig in mines of our own, or get it from our neighbours. And the most proper mines we can be furnished from, is a due improvement of our manufactures. The only way to procure it from our neighbours, is by an overbalance of trade. By this method cash would increase in our hands. I look upon projects of altering money to be very dangerous, and which might draw down upon us swift and sudden destruction. The money of any country

ought not to be presently changed upon any man's private groundless conceit.

"If trade be carried out in the same manner as it is at present, and not regulated conformably to the above directions, this kingdom will be reduced to pinching straits, than which nothing is so earnestly desired by our neighbours.

"Home and foreign trade is necessarily stopped for want of credit; for, as the wealth and greatness of a kingdom are supported by trade, so trade is carried on by credit; and when this spring of trade decays, the symptoms of ruin soon appear. But where there is not money to answer in a great measure that credit, then the same will be of no use. Trust will not be given when there is not a certainty of quick payment.

"Although LAW should settle an imaginary credit on tallies or notes, it would not have the desired effect, in respect that every person would hoard up their cash, until the value of money was necessarily raised, and the crying up of silver would occasion a diminution in weights and measures.

"This imaginary credit would not be received in payment, though LAW should establish the same, and order their currency. For the issue of this would be, that all home transactions would be stopped, and foreign trade would no longer be carried on than when the merchant could expect money to purchase foreign goods.

"Supposing that these tallies should be received

in all negotiations, yet it is impracticable to divide them into such small fractions as are for the necessaries of life. So that no one will be more sensible of this fatality than the poor, who has not immediate occasion to consume a tally to the value of twopence.

"Such an imaginary project will end in a considerable loss to the possessors of these notes, who will be obliged to allow a great discount for them in all their transactions. An instance of this was evident in the *English* Exchequer notes at the time of their scarcity of money. At present, I will not insist further on this subject, and shall only lay down the following positions as consequences from the premises :—

"*First*, No bank can succeed without a considerable fund of cash to answer necessary demands.

"*Secondly*, Money will be deficient so long as trade is not carried on to advantage.

"*Thirdly*, Trade cannot thrive without the improvement of our national growths.

"*Fourthly*, That improvement cannot be advanced, unless our manufactures be encouraged by a rigid prohibition of *unnecessary* outlandish commodities.

"To conclude, I submit the above thoughts to the censure of the judicious, and entreat every one seriously to consider the sinking state of the nation, and that they would please cast about for remedies to support the same in time; for, in all probability, we cannot long continue in this present deplorable condition. If this my mean endeavour can contribute anything towards the welfare of my country, I have gained my aim."*

* A copy of this Tract in the Advocates' Library, No. 349, quarto, has supplied this text. Another tract of eight pages in the same volume, is entitled, "An Essay concerning Inland and Foreign, Public and Private Trade; with some Overtures, shewing how a Company, or National Trade may be Constituted in Scotland, with the Advantages that will Result therefrom."

The principles of this tract are identical with the views propounded in Paterson's known works, and its language is identical with his. As its contents are not otherwise remarkable, it is only referred to for the sake of its signature of T. W., being apparently a reverse of W. P., as suggested in the page of *facsimiles* which illustrates these memoirs.

CHAPTER VII.

1693-1695.

The revival of trade in Scotland from the Restoration in 1660 to 1695—The passing of the General Trading Act by the Scottish Parliament in 1693—The special Act of 1695 for trading to Africa, America, the East Indies, and the North, drawn by Paterson.

But another great event in his life, and in the history of Scotland, was now in rapid preparation; namely, the foundation of the Scottish Company of trade and colonisation in Africa and the Indies, commonly called the Darien Company. It is clear that the prospect of this company being prosperous attracted his whole thoughts, and led him eagerly to withdraw from engagements in London and elsewhere, whatever might be their promise; and that they were promising is proved by the positive testimony recorded in the company's proceedings in favour of Mr Paterson.

Means exist for estimating the amount of his property at this conjuncture. His qualification as a director of the Bank of England was £2000 stock, which he had sold out upon the rupture with his colleagues. Within two years, it appears, from a

passage in a written report concerning him of 1697, that he then possessed £4000 in the Orphan Fund, or money borrowed by the City of London upon the credit of the Corporation to pay the Orphans; and £2000 in the Hampstead Water-Works Company, in the promotion of which he had a share. He had in the year before, 1696, subscribed £3000 to the stock of the Darien Company. He also possessed property in Pimlico, in right of his second wife; and his own residence was now in St Giles'-in-the-Fields,* where the old office of the Hampstead Company was held.

Under all these circumstances, his fortune may be estimated as moderate for one of his pretensions, probably not exceeding the sum of £10,000—a result which furnishes a satisfactory key to his character, and to the ground upon which the public high estimation of him rested. Great riches were not his idols; and the extraordinary following he had in the West Indies, as declared in the report above referred to, with the very remarkable weight allowed him among the jealous great men of the city of London, may be reasonably attributed to his intelligence and character as a merchant and a financier.

This new company was, to all appearance, to realise all his visions of many years, and lead to the gratification of the noblest wishes of a wise man —to promote the extension of the means of human happiness, the increased prosperity of his native land, and his own honourable elevation in society as its bene-

* Mr Chalmers' MSS.

factor. If, for any portion of Paterson's earlier years, it has been necessary to trust to doubtful evidence of the facts depended upon, and perhaps to have given him credit for being the writer of important works, without the most conclusive proofs of authorship, the whole of the narrative that follows will be founded upon undisputed materials—either his own letters, attested by his well-known signature, or books clearly made out to be by him, although he never set his name to any of them, or to documents directly connected with him, and proceeding from persons or bodies of known repute.

The circumstances of Scotland, and the dispositions of the Scottish people must be well considered in order correctly to estimate the propriety and value of Paterson's efforts to direct the capital of the country and the people's energies in earnest to trade, and in such hazardous foreign adventure as the company actually entered upon. Mr Malcolm Laing, fifty years ago, severely condemned the whole scheme of the company as politically erroneous, under the circumstances of the time; and calculated to injure Scotland, even if it had succeeded in overcoming the opposition which was the immediate cause of its ruin. Mr Malcolm Laing, however, candid as his statement of the case is, had not the command of proper materials to enable him to form a correct judgment upon it. His access to the State Papers was recent and casual.

Paterson did not come down to Scotland an enthusiastic visionary, to offer a crude undertaking to his countrymen who, if the censure be well-founded, would have been as reluctant as they were unfit to be launched into that dangerous novelty. He had long meditated his plan—for ten years at the least he had offered it to the English minister, and to foreign states. He did not take it to Scotland till he was invited thither by some of his Scottish countrymen. This fact is stated positively in the proceedings, when the House of Commons, with singular perverseness, resolved to impeach him and his collegues for presuming to raise money in England, by shares in their company, under an act of the Scottish Parliament. No evidence, beyond what is stated by Sir John Dalrymple to the same effect, has been discovered as to Fletcher of Salton having been eager and successful in bringing Paterson to Edinburgh, to submit his plan of trade to the Parliament and people of Scotland. Nor was it by a sudden impulse of sanguine individuals that this *new* thing was adopted. It was an almost necessary effect of the progress of the age.

The commercial spirit had been extending and strengthening for a whole century in the country, notwithstanding the adverse influence of the civil wars and of religious strifes. The records of the Merchants' Company* in Edinburgh declare truly, that James I., observing the advantage of the institutions of the city of London, towards promoting "order, trade, and peace," anxiously recommended

* Report of a Committee of the Company, 1690.

the ancient capital of Scotland to fall upon the like institutions; which, in 1634 and 1636, Charles I. endeavoured to set up. But nothing was done in the business until 1658; and further hindrances then delayed its completion till 1680, soon after which time, what had been well intended long before, took a suitable shape.

There are other evidences of progress in this respect, over Scotland generally. It was the spirit of that progress which prompted the leaders to urge, at the negotiations for an *Union* in the reign of Charles II., that the trade of England should be freely opened to Scottish industry and products; and afterwards, at the Revolution, the Parliament of Scotland soon passed a general Act to facilitate *joint-stock* commercial operations. This was done by the Act of 1693 "for encouraging foreign trade," by the formation of companies, with proper powers, wherewith to carry out to remote countries those plans of commerce and colonising which private individuals separately could not safely venture upon.

Paterson does not appear to have had any share in this Act; but one of the most zealous advocates of the Darien Company enlarged, with reason, upon the earlier successes of the Scottish people in foreign trade, and upon their remarkable exploits at sea of old.*

* Darien Tract of 1696, referred to in p. 65 above. It is not trivial to observe, that, in Magellan's circumnavigation ship, the *Victoria*, a Scottish seaman was deserving of notice among the crew.

The enthusiasm with which the nation received the proposal of the Darien enterprise, as shewn by the popular songs already cited, and the correct view taken in those songs of the expanding character of that enterprise, are, perhaps, still stronger reasons for vindicating the judgment of Paterson in devoting himself to it. It may indeed be asserted, without qualification, that Paterson's plans, developed in the Scottish statute of 1695, and the company's proceedings, were as wise as they were patriotic. Springing out of both historical traditions and natural capabilities, proved by subsequent experience in Scotland to be beyond the common measure, both in the sterling character of the people, and the various resources of the country; the failure of so bold an attempt to promote the prosperity of both, is to be attributed to the unworthy resistance it encountered.

It is highly probable that Paterson himself drew the Act of 1695,* constituting "the Company for trading from Scotland to Africa and the Indies;" otherwise more familiarly the *Darien* Company, from the place in Central America, to which its first operations were directed.

The Act of 1693 had declared that Scottish Companies should be formed to trade "with any country not at war with us—to the East and West Indies, the Straits and Mediterranean, Africa and the northern parts."

* Hodges' Tract, entitled, "A Defence of the Scots Abdicating Darien," 8vo, p. 2. 1700.

The Act of 1695 was worded more vaguely; and it may be admitted that, in the complex state of the relations of King William with the powers of the Continent—and, especially, as it was a reasonable point of his policy not rashly to exasperate Spain—there was a want of caution in not removing all ground of objection on that head, by a studious care that his Majesty should not even appear to be taken by surprise as to the place in America which Paterson and his friends had in view for their great colony.

But it is not true that any sinister deception was practised on the king in this respect; or any unfair pretence of right to Darien set up by the Scots. That country was so little an absolute Spanish possession in the eyes of the English Government, that when the Scottish undertaking obtained great support through the undaunted spirit of the nation, the English took very decided steps to anticipate them in the possession of it. The Board of Trade examined Dampier and Wafer upon its capabilities; and King William sent Captain Long, with a royal commission, to explore the country, with a view to settle it as English.* And in Lord Somers' well-known letter to the king in 1697, there is a strong recognition of the interest taken in such enterprises in the West Indies by the English.

It was therefore unfair to Scotland to ask an opposition to the Darien Colony upon any peculiar

* In the State Paper Office, and other archives, there are interesting details on this subject.

regard to the Spanish title; which a powerful English party had disputed for *two centuries*. On the more material branch of the case, the peculiarly *Scottish* character of the whole enterprise, which is the ground for imputing error to Paterson, as if he was for diverting his countrymen from more suitable employment of their limited capital and their energies, and for putting them upon designs beyond their strength, facts are entirely overlooked. The original plan was to share the hazards of that design, in reasonable proportion, between the Scots and the English; and foreigners were to be invited to join them both. Instead of being a Scottish scheme, it was cosmopolitan in its contributions of capital, in its component agencies, and in its ulterior objects. The original leaders of it, whose names are inserted in the act of 1695, were nine residents in Scotland, with Lord Belhaven, and the Lord Provost of Edinburgh, Sir Robert Chiesley, at their head; and eleven residents in London, merchants, with William Paterson and Thomas Coutts at their head. Of these last, one was Joseph Cohanse (Cohen), doubtless a Jew, and probably a foreigner. Together with these twenty-two persons, named in the Act of Parliament, their associates were to be "all others who should join them in twelve months, even if foreigners." The subscriptions were to range from £100 the lowest to £3000 the highest shareholder; and it is not without interest that Mr Paterson is found to be a subscriber for £3000, and his servant for £100.

CHAPTER VIII.

1695.

Paterson's Letters to the Lord Provost of Edinburgh, Sir Robert Chiesley, upon the execution of the Trade Act of 1695 in London.

PATERSON'S original letters, of which several on very various topics are extant, are of great value. They contain genuine and strong representations of things he was engaged in, and of his situation and feelings. Seeing the readiness of his pen, and his numerous intimate friendships with considerable persons, and his frequent absences and travels for interesting purposes, there is reason to hope that many more letters will be produced from family collections, when the importance of the man shall be duly estimated. In the present memoir it has been carefully endeavoured, from such letters as have been collected, as well as from Paterson's efficient papers, and his books, to make his story as much as possible an autobiography, even with a less flowing narrative.

The first collection of such letters has been published by the Bannatyne Club, from the manuscripts preserved in the Advocates' Library; and, by the kindness of Mr David Laing, with the liberality of

that learned society, that collection is here republished complete.

The Lord Provost of Edinburgh, Sir Robert Chiesley, and his son, took a warm interest personally in the Darien Colony. The son was, at this time, a merchant in London.

The Act establishing the company passed on the 26th June 1695; and, from the first of the following letters, it appears that its provisions were rapidly pursued by Paterson and his colleagues in London:—

LONDON, *the 4th of July* 1695.

MY LORD,—The gentlemen here by last post sent* some of their thoughts of the Act of Parliament; and yesterday received yours of the 27th ult.; and are of opinion, that there are several preliminaries of the greatest consequence to be settled, as previous to any proceedings. The matter of itself is of the highest consequence; and nothing but prudent management can bring it to bear; wherefore, the principal designs thereof ought only to be discovered by their execution. Therefore this matter ought, first, to be concerted in a meeting in London, about the latter end of October or the beginning of November, where most of the persons named in the Act ought to be present. And, doubtless, some weeks, if not months, will be spent before the foundation of our proceedings can be laid as they ought. They may thence adjourn to Edinburgh, in the spring fol-

* The letter here referred to has not been found.

lowing. As to the quantity of the stock, they think of £360,000, whereof the half, being £180,000, will be for Scotland; so that people may have notice enough to prepare their money. As for reasons, we ought to give none, but that it is a fund for the African and Indian Company. For if we are not able to raise the fund by our reputation, we shall hardly do it by our reasons. The gentlemen are extremely satisfied that they are joined with so excellent persons; and doubt not, by their advice and assistance, to begin and carry on this undertaking to the honour and profit of themselves and the nation. In a post or two, the gentlemen intend to be more full in expressing what they judge necessary to be despatched before the meeting of the corporation, as also on the way of making it in the most satisfactory manner. They think this company cannot be managed by correspondence alone, like some sorts of trades, but most by counsel and conversation; and, therefore, entreat that this society may be reckoned one entire body—not of several interfering parts and interests. They assure your Lordship, and the rest of the gentlemen, that nothing shall be wanting on their part to promoting a correspondence needful for carrying on so great an undertaking. That is all at present from, my Lord, your Lordship's obedient servant, WM. PATERSON.

Please direct yours to Mr Fowles, as formerly.

For the Right Hon. Sir Robert Chiesley,
Lord Provost of Edinburgh.

LONDON, *9th July* 1695.

MY LORD,—The 4th instant, by order of the gentlemen here, I gave something in return to your Lordship's of the 27th ult.; but want of time then occasioned them to be brief, and to take this opportunity to enlarge. In the first place, they think that the settlement of the constitution of this company being designed for posterity, there needs the greater caution on their part in setting out; whereupon, it will be needful that as great a number as possible of the gentlemen named in the Act, should meet, and sedately and maturely deliberate and settle the constitutions of the company before any other steps be taken. That cannot suit all the gentlemen here before the beginning of November, or thereabouts. And it's needful the first meeting should be in London, because, without the advice and assistance of some gentlemen here, it will not be possible to lay the foundation as it ought, either as to counsel or money. They think, also, that we ought to keep private and close for some months, that no occasion may be given for the Parliament of England, directly or indirectly, to take notice of it in the ensuing session, which might be of ill consequence, especially when a great many considerable persons are already alarmed at it. Besides all this, the Parliament of Scotland having given the kingdom of Scotland till the 1st of August come twelve months, to come in for half the stock, this ought to induce us to make what private preparations we

can; but not to think of appearing in public till within three or four months of that time. For, if we should lay books open in Scotland for six or eight months, or a year together, we should become ridiculous at home and abroad. For that we have many instances here in England, where, when the Parliament gives a long day for money, that fund has hardly ever success, and where the days are short, they seldom ever fail. The Bank of England had but six weeks' time from the opening of the books, and was finished in nine days. In all subscriptions here it is always limited to a short day, for if a thing go not on with the first heat, the raising of a fund seldom or never succeeds, the multitude being commonly led more by example than reason. Besides, if we take care to publish our subscriptions and the terms sufficiently through the kingdom for three or four months, none have reason to complain; and every man will have time enough to enter, unless it be full sooner. Thus, they think, if good and solid preparations be made, the subscriptions may be time enough begun about the beginning of April next, and hope they will be soon full. They hope, all things considered, that this, as it is designed, is one of the most beneficial and best grounded pieces of trade at this day in Christendom. And WE MUST ENGAGE SOME OF THE BEST HEADS AND PURSES FOR TRADE IN EUROPE THEREIN, OR WE CAN NEVER DO IT AS IT OUGHT TO BE. We ought not to think that ever we can bring our Indian business to

bear from Scotland by aping the English and Dutch. But we may be sure, should we only settle some little colony or plantation, and send some ships, they would look upon them as interlopers, and all agree to discourage, and crush us to pieces. It must be from some extreme defects in their management of trade, and in some discoveries and advantages that we have more than they, that must give opportunity to our rise. Wherefore, whatever is considerable ought to be reserved till execution. Should we disclose our designs before, they would no more be ours, but theirs and other people's. The French king hath bestowed many millions of crowns in promoting foreign trade, but that being only a sort o like aping or imitating the English and Dutch, it is come to little or nothing. The King of Denmark has been at more than £500,000 sterling expense, in fifteen or sixteen years, about promoting an African and Indian trade; but, being undertaken by the same sort of management and disposition, he has had but little returns, except what he has had by several barbarous robberies and piracies committed in the East and West Indies. The Elector of Brandenburg has also expended about £400,000 or £500,000 sterling in sixteen or eighteen years, and has hardly saved ten per cent. of his principal. We ought to expect no better success, if our designs be not well-grounded and prudently managed.

But, to conclude, there are remarkable occurrences at this time, and our neighbours lie under many dis-

advantages. So a considerable measure of the genius of trade and improvements seems to incline to Scotland, to give them a faculty and inclination to gain some advantages for themselves and posterity —all seeming to be harbingers of, and to portend glorious success.

Above all, it is needful for us to make no distinction of parties in this great and noble undertaking; but that of whatever nation or religion a man be, he ought to be looked upon, if one of us, to be of the same interest and inclination. We must not act apart in anything, but in a firm and united body, and distinct from all other interests whatsoever.

So hoping that Almighty God—who at this time seems to have fitted so many able instruments, both of our own nation and others, and given us such opportunities as perhaps others have not—will perfect the begun work, and make some use of Scotland also to visit those dark places of the earth, whose transactions are full of cruelty, I am, my Lord, your Lordship's ready servant,

WM. PATERSON.

For the Right Hon. Sir R. Chiesley,
Lord Provost of Edinburgh.

LONDON, *6th August* 1695.

MY LORD,—Since yours of the 27th of June, we have had none from you, and wonder we have not ere this an authentic copy of the Act as it passed the seal, as also some printed copies thereof; and,

though we doubt not of the gentlemen's care in this matter, yet we hoped to have had something more by way of letter since your last. The life of all depends upon punctual correspondence; and as we shall not fail at any time to return our thoughts upon your demands, so we hope you will keep up to the exactness of correspondence on your part. If a copy of the Act as it passed the seal, as also some copies printed, be not despatched before this comes to hand, we desire you to send them with all convenient speed, because now they begin to be much wanted here among our friends. We also desire you would be pleased to consult the heralds about what we shall have for our arms, and consequently for our seal, and send us up such a project thereof as you approve of, and we shall return you our judgment, that so the matter may be agreed upon; for it will be needful to have our seal made ready as soon as possible. So expecting further from you, this is all at present, by order of the gentlemen here, from, my Lord, your Lordship's humble servant,

WM. PATERSON.

According to order, we write and direct what concerns the company to your Lordship.

For the same.

LONDON, *15th August* 1695.

MY LORD,—Yours of the 8th inst. we received yesterday, and shall prepare for a general meeting of the corporation in October or November next, to

which there must come three, at least, of the persons named in the Act of Parliament, from you. For there are two misnamed in the Act—the first being called John, instead of James, and Mons. Cohen d'Azevedos' name is likewise mistaken. So that three of your number will be needful, to make our number eleven, which is the majority of the persons named in the Act, until the mistakes of those gentlemen's names be rectified by the majority of the persons named in the Act of Parliament.

We are much surprised to see some of the printed Acts of Parliament in the hands of some not very well-wishers to us, before we, who are concerned, can have them; and we now see that we have not had a perfect copy thereof. We pray, therefore, that for the future, we may, by every post, have what may but seem to concern us, or worth any notice. And if it be not sent before, we desire a copy of the Bank Act,* that was so surreptitiously gained, and may be a great prejudice; but is never like to be of any matter of good, neither to us nor to those who have it. You seem, in your last, to intimate as if but one of your number should come for London, which makes us repeat, that unless three, at least, of your number, and all ours be present, which will make the majority of the whole, we cannot proceed in anything. We wrote to you on the 6th of

* Mr Paterson here refers to the Bank of Scotland, established in 1695, and, by error, given to him as founder. He mistook its weight. Its early days were, however, days of struggle.

August inst., and expect your answer on Monday next.—I am, my Lord, your Lordship's most humble servant, WM. PATERSON.

To the same.

LONDON, *the 3d of September* 1695.

MY LORD,—Yours of the 24th ult. is come to hand, by which we see your singular care in keeping our correspondence, whilst others concerned are absent. Our business here hath taken more air than we expected so soon; and what was a reason for us before to delay our business for some time, proves now an argument for us to hasten it, because it is now as public as it can well be. And our politicians here seem inclined rather to endeavour that England should follow our example, as much as may be, in encouraging foreign trade, than to think of discouraging us; who, if blessed with prudent management, have designed one of the least involved and freest foundations of commerce that hath been anywhere proposed. So, since the people here are already as much awakened as they are like to be, it becomes us to strike whilst the iron is hot, and hasten our pace, which now will be of advantage to our proposal, should it meet with opposition or not. Wherefore, it is needful that the persons to be deputed from you, may be despatched with all expedition, that, as soon as it may be, we shall have a majority of the corporation here, in order to proceed to business. It is also absolutely necessary that

you would, with all expedition, get the Act of Parliament past the seal, let the charge be less or more of the several copies to be signed by my Lord Register. We can have attested copies at any time; but the passing of the seal is of another nature; for, although it be of no consequence if it never pass the seal, yet, some who are apt to be frightened at shadows, will be ready to make something of it. We desire you would also buy and send us all the Acts of Parliament passed since the last of King Charles II.; as also, any other law books that may be needful. We have none here but the Acts from King James I., by Sir Thomas Murray. It is needful for us to have a particular regard to the laws of Scotland in our settlement, in so far as they may not interfere with the general principles of trade; and also to know wherein they do. We desire also a project for a seal as soon as possible, and for the expense you are at, please to draw upon Mr Foulis, which, upon advice from you, shall be complied with. All letters will come to hand if directed for me at the Orphans' Fund, in London; or *for me in London. It is not fit for us to write the reasons for passing the seal, and, therefore, it ought not to be delayed a day longer.* —I am, my Lord, your Lordship's most humble servant,

WM. PATERSON.

To the same.

LONDON, *5th September* 1695.

MY LORD,—This day, all the persons here, named in the Act, met, and have agreed for the future to meet every Thursday. Our affair having now taken so much air, that each succeeding day may reasonably produce new matter worth our notice, therefore we recommend to your Lordship's care that our correspondence may be concerted so as to have an account of any material occurrences with you every Wednesday at least; and for the reasons mentioned in my last, all the gentlemen here do seriously press it, that three, at least, of your number, may come hither with all reasonable expedition, to make us a majority, that no time be lost; and care shall be taken for reimbursing all their necessary charges.

So, hoping that your next will give us an account of the Act being past the seals, this being all at present, by order of the gentlemen, I am, my Lord, your Lordship's most humble servant,

WM. PATERSON.

To the same.

LONDON, 19*th September* 1695.

MY LORD,—Yours of the 10th inst. came in due time; and we find ourselves daily more and more obliged, by the constitution of affairs, to press the coming of those persons who shall be deputed from you, the reasons still increasing for us to get our business here despatched before the approaching session of Parliament. Wherefore we entreat you to hasten their departure as a matter of the greatest moment, that we may have a majority together to

proceed upon business. We would not press it so much if the reasons did not require it. And we doubt not but the gentlemen in Scotland will be as diligent herein as the matter requires. Being highly pleased with your Lordship's extraordinary care and industry herein, by order of the gentlemen here concerned, I remain, my Lord, your Lordship's most humble servant,

WM. PATERSON.

To the same.

LONDON, 15*th October* 1695.

GENTLEMEN,—We have not had any account of your proceedings for several posts, save what we had from the public news, until yesterday. We had one from my Lord Belhaven, and another from Mr Balfour. By that we still see your backwardness in sending some of your number to make a majority here. We wonder that some of you should still seem to be of opinion that this matter may be transacted by correspondence, when it's plain by the Act, that things must be transacted by the majority of persons present, and that it is morally impossible it can be done otherwise, either in the needful despatch, or the nature of the thing. We wonder that any of you should still expect reasons for our not coming to Scotland, after we have said so much of it in our former letters, that it is impossible to lay the foundation anywhere but here. We have already pressed you to hasten, by our former letters,

more than modesty would admit — and we must now tell you that, if you neglect coming up but a few days after this comes to hand, it will endanger the loss of the whole matter, for reasons it is neither fit nor safe for us to write. We therefore desire that the persons appointed would come, if possible, by post, that they may be here by the 1st of November, at farthest.

So, hoping to hear from you, and of your parting for London, by the very next, we have sent a copy of this to each of the three gentlemen who, we understand, are named to come.—I am, gentlemen, your most humble servant,

WM. PATERSON.

To the same.

Memorandum.—An exact copy hereof was directed to the Lord Belhaven, and another to Mr Balfour. The gentlemen concerned here are sorry to use this way of expressing themselves. But it is only the small effect of what they have hitherto written, as also the danger that the whole undertaking is in, that presses them.

The urgent calls of the party in London prevailed. The members from Scotland soon joined them; and at no small risk. The whole body was included in an impeachment; and their secretary, Mr Roderick Mackenzie, Paterson's warm friend, fled the country to escape the storm.

CHAPTER IX.

1695–1696.

The subscriptions in London under the Scottish Trade Act of 1695—Resolution of the House of Commons to impeach Paterson, Lord Belhaven, Thomas Coutts, Joseph Cohen, and certain other merchants of Scotland and London for executing that Act in England—Results—Opposition to the Darien Colony, by Mr Robert Douglas.

THE extraordinary success that had attended the subscriptions to the capital of the Bank of England had now a parallel in the rapidity with which the sum of £300,000—the moiety of the proposed capital of the Scottish Company—was subscribed in a few days, in London. At a meeting of the company in Edinburgh, this was afterwards attributed to the personal influence of Mr Paterson. This, too, was at a period when the government had extreme difficulty in collecting money for the most urgent services—when the public finances were in extreme disorder—and another undertaking, the Tory Land Bank, could not raise a twentieth part of its projected capital by efforts such as a great political party is capable of. Paterson alone seems to have then enjoyed public confidence, and to have

had in England as ready "a following," as he was asserted to have had in the West Indies. But, when this remarkable success was gained, the jealousies of the company's opponents in London and Holland were roused; and King William was led to interpose his authority against their proceedings.—The House of Commons instituted a severe inquiry into the case; and caused Paterson, and his friends from Scotland, and their English colleagues, to be examined. It appeared upon this examination, that individuals in Scotland, for the advancement of the most legitimate national interests, and in strict conformity with the spirit of the Act of 1693, for the encouragement of those interests, had originally invited Paterson to give them his important aid. The result of this vindictive inquiry was, that the House of Commons resolved to impeach all the prominent parties to the Scottish proceedings, who could be reached, including Paterson, and two others, whose names of *Cohen* and *Coutts*, still familiar to the mercantile and financial experience of London, attest the respectability of his connexions.

The ground of the impeachment was, that under the authority of a Scottish Act of Parliament, these members of the Scottish Company had presumed to levy money, and do things as a corporation, which could not be done legally in England, without the sanction of the English legislature. His Majesty, King William, contrary to the liberal spirit that usually influenced him, took part warmly against the

state, and even complained that his ministers in Scotland had misled him—a somewhat strange imputation by a sovereign who, more than any other of our kings for three centuries, may be said to have been his own minister. The best proofs of the unjust opposition thus made to an important enterprise are, that the impeachment was abandoned by the House of Commons, and the king, at a future day, revived the enterprise with zeal and power, as one equally vital to English and Scottish interests.

In the meantime, the English subscriptions were withdrawn; and Paterson's Scottish friends were left to pursue their work upon their own resources.

The spirit of the Scottish people was roused by the insults they had received in the persons of the Darien Company's representatives; and vigorous steps were taken to extend the public interest in prospects which the opposition only made more brilliant. The whole nation responded to the appeal; and the subscription lists rapidly filled up in the course of 1696.

The success was so signal, and obviously so much promoted by Mr Paterson's influence, that the directors of the company at this time made a solemn deed, which, after a struggle of many years, became the basis of an Act of Parliament, awarding him the sum of £18,241, 10s. 10⅔d., to indemnify him for his losses in connexion with this unfortunate company.

In the meantime, great exertions were made by the directors to obtain colleagues in Holland and Hamburg, but in vain. The Dutch East India Company opposed them in Holland, and in Hamburg they were met by the determined hostility of the English Consul, who too resolutely obeyed his instructions to engage the senate of the city to withdraw from an undertaking which they were well disposed to support.

Paterson, on this occasion, was the leading member of the deputation sent by the company, not only in reference to subscriptions to its capital, but to superintend the purchase connected with the fleet about to sail upon the first adventure.

This last commission produced an incident of great importance in itself, and especially interesting in its bearing upon Paterson's story and character. That incident is the subject of the next chapter.

The English and Dutch East India Companies and King William's ministers were not the only opponents the Scottish enterprise, as advised by Paterson, had to contend with. In Scotland itself, unanimous as the people of all ranks were to make very great efforts in support of foreign trade and new colonial settlements, some considerable men among them had already carried on commercial speculations in the *East* Indies. It was such speculations that took out the worthy minister whose correspondence upon the subject, now so interesting, of evangelising the natives of India, is still

extant. The following angry letter was written by a Scottish merchant, engaged in such speculations, and it will be read with the more curiosity, as only three or four similar attacks upon Paterson have been met with. It is taken from the first volume of the Select Darien Papers in the Advocates' Library, vol. i. No. 33 :—

"HAM'S COURT, *Sept.* 5, 1696.

"SIR,—I received yours as soon as I got home. I have thoroughly considered your voyage. My friends give themselves up blindfold to another at his pleasure, without requesting him to give an account of his design till awakened by me. This partial treatment might justify me if I should resolve to make such a promise as their nominees and directors in London did in their petition, designed to be presented to Parliament, 'never to be concerned with the company further.' Yet in hopes that, in complying with your desire, I may serve the interests of my country, I have sent you my thoughts concerning Mr Paterson's project, and the profitableness of the rejected East Indian trade.

"Since it is my unhappiness to contend with one who converses in darkness, all I can say at present against his project is by my supposition, till time has brought his wonderful design to light.

"*First*, I shall suppose he hath a great design of some place in the West Indies, that will answer the great ends hinted at by himself and others to whom he hath communicated the secret.

"*Secondly*, I shall suppose he hath no such wonderful design, or else, that finding the said design, on second thoughts, not practicable with the honour, safety, and credit of the company, he has laid it aside; and now is upon some ordinary and common design of some place that has not these extraordinary advantages of the former, and is only capable of being improved in that dark way of trading, by planting (as he is pleased to term it) what is used by the English and others in their colonies, and the West Indies.

"*Thirdly*, I shall suppose that he has as yet no particular design of any certain place at all; but intends to go upon a new discovery to seek one where he can best find it.

"Now, if any of these three suppositions hold, I question not but, according to the present management of that affair, in case he proceeds in that manner and method as is designed, I can make it appear, he is acting contrary to the true interests of the company and deluding the nation.

"As for the first supposition, I question not but it will be easily granted me by him and his friends. And now I must crave liberty, from those characters and descriptions he and some of his party have at several times given of the place of his design, to take upon me to determine where it is; or at least come so near to it, that my objection against it may take effect. And, amongst the many wonderful advantages that do attend it, there are only two that I

shall either trouble myself or you to take notice of, laying aside those more stupendous ones of the golden mountains, the stock of rubies, the rich mines of copper, and the wonderful natural strength of the place. My reason is because these too will help to evidence the truth of what I chiefly aim at in this place, which is to convince such as will not be willfully blind that I have hit the mark.

"The *first* of these great advantages is, that it is a place so situate that, when he has struck the stroke, as he expresses himself, it will alter the whole method of trade in Europe, and effectually ruin both the English and Dutch East India Companies; because it opens a shorter, safer, and more convenient way of trade to the East Indies, by the South Sea of America, than from England or Holland.

"*Secondly*, The next of these advantages is, that lying so near the Carribee Islands, immediately upon the first news of his being possessed of it, multitudes of all nations, from all their plantations, would run in to him to strengthen him, and to trade with him, and enjoy the freedom and large privileges of his new commonwealth and free port.

"Now, by these two descriptions, it is obvious to see, that this place must be so central as to have easy communications with the Pacific Sea, and the North Sea with the Carribee Islands—the former, for the East India trade—the latter, for the easy access of the gentlemen planters, and others of his friends in the English, French, Dutch, and Spanish planta-

tions, who, discontented with their own governments, will come to be enriched and happy in his new settlement. From this I conceive it must be somewhere in what the Spaniards call Terra Firma—*alias*, the Straits of Panama and Darien; through which all the riches from Peru are conveyed from Panama to Porto Bello. This, according to history, is the first province possessed by the Spaniards upon the continent; and the city of Darien, now called Santa Maria, was one of the first cities built there, in 1510. They have remained in possession of this province ever since, except when disturbed by some Indians, who retired to the mountainous parts. The more considerable are the Darien Indians, who cannot contend with the Spaniards, as appears from the history of the Buccaneers, whose authority, I hope, will find acceptance from Mr Paterson. If the Spanish title is to be allowed in any part of America, it is here; and that the place of his grand design is upon some part of this strait, I have just reasons to believe, whereof I shall only mention a few.

"*First*, In that agrees the design he was carrying on in Holland and Amsterdam, some years ago, particularly in 1687, when I had occasion to reside in that city about six months together, and was oftentimes at the coffee-house which Mr Paterson frequented; and I heard the accounts of the design, which was to erect a commonwealth and free port in the emperor of Darien's country, as he was pleased to call that poor miserable prince; and whose pro-

tection he pretended to be assured of from all who would engage in that design.

"Now, I dare appeal even to Mr Paterson himself for the truth of this matter; and, if he should deny it, many in Amsterdam can witness it; and I can procure several gentlemen in England, who were then in Holland, to justify the truth of what I assert.

"*Secondly*, My second reason is, in that I have, upon several occasions, had it confirmed from his own mouth, when he was in England. I found him in several particulars opposing everything that tended to promote the Scots East India trade, when under consideration in England, and industriously bringing in some that were concerned in the English East India Company (five of whom had taken oaths to the said company were then of the committee), to be directors of the Scots East India trade. So I concluded, that either he must be treacherous to the interest he seemed to espouse, for which he might receive a bribe of the English East India Company, to overthrow our design (which it is well known they have not been backward to give, and I find since might very well agree with his principles and practices to receive), or else—knowing his own ignorance in the East India trade—might have some West India design of his own to promote. Therefore, reflecting on what I knew of his design in Holland, I resolved to make it my business, upon all occasions I had to converse with him, to find out whether he had any such design of his own in consideration,

and whether it agreed with what I had heard about Holland. In a little time I found opportunity to satisfy myself, in what I desired, without making my designs known to him. Neither was their service required or promised; for what he at any time hinted at was no secret to me. Nor did it add any new knowledge to me, but only confirmed what I knew before, although he had the confidence to affirm that it was a breach of secrecy to speak of anything I heard from him.

"*Thirdly*, My reason why I believe his design to be upon some part of that Isthmus, or Strait of Darien, is because I had it confirmed by several persons of honour in England before I came down to Scotland, with whom Mr Paterson had discoursed about it at large. All which agree with the relation I had in Holland, and with what I received from his own mouth.

"*Fourthly*, Because the advantages hinted at by himself and some others, to whom he has revealed anything of his design, can agree with no place in all America, but only some port in that strait. So that, by this time, I hope I may even adventure those very gentlemen to judge whether or not I have supposed right; and if so, then I shall, in the next place, lay before them the danger and disadvantages that do attend it, and that he deceives the company in recommending it as profitable.

"1*st*, In case he goes to take possession of it, as some time he has intimated, either by the Strait

of Magellan, or Cape Horn, it will be found very inconvenient, because of the dangers that attend that voyage in case it be but a month or two. Disappointment in the proper season of the year, by reason of the exceeding storms and cold weather, which, at the best, to inexperienced commanders and untried men, and thronged and pestered ships, will prove very discouraging. Likewise the sickness that must be expected in so long a voyage may render most of the men unserviceable before they reach the port, and the uncertainty of finding provisions for so many men as the expedition will require upon their so arriving, may prove very fatal; for the Indians keep no magazines, and cannot supply so many, and it may be rationally supposed that the Spaniards will not; and to expect it from the other plantations, unless they are masters of the seas that lead to that part on the north side, is folly and madness. And I believe a little less to expect it by a second fleet from Scotland, before they have heard of the good success of the first.

"By all which it is apparent, I hope, to considering men, that this way is dangerous at least, and not advisable.

"But, if he resolves to go the nearest way to it, on this side the said Strait of Darien, next to the Carribee Islands, then all his strength will not suffice to encounter the force the Spaniards have now in those seas; and although, I do grant, it will be easy for him to surprise some place in that strait, and possess

himself of it, before the Spaniards have notice, that they will permit him to keep it is not to be expected, because of the great importance of that place, by its nearness to their greatest strength and riches. So that we may as well expect they will give him up their rich mines as suffer him to keep it.

"But, allowing further, that he might be able to keep it against all opposition by land, yet this would not answer the ends proposed, unless he can be master of both the north and south seas of America, and maintain a fleet superior to the Spaniards in both, to defend that trade, which the company are noways able to do. Therefore, neither is this advisable, which I hope those gentlemen that are in favour of his great and secret designs will think worth their consideration. Upon strict inquiry, they will find it to be no better than an old rejected project, both by the Dutch and others, and only now trumped up for Scotland, for a great and valuable design and great secret. But I do acknowledge there may be grand reasons for the secrecy of it; lest the deceit be detected before he gets the opportunity of securing himself such a large reward as he did in England; although, as I am informed, he was at last disappointed, by the industry of some honest gentlemen, and forced, sore against his will, to relinquish that sweet morsel. Yet he has now the confidence to say that he did it freely, and endeavour to blacken those gentlemen as parties with

him in that mystery of iniquity, who only found out the expedient to manage him, whom otherwise they found ungovernable.

"2*dly*, He deceives the company, and imposes upon them (and, indeed, the nation, which is generally concerned in it), in that he puts them upon attempting so hazardous and costly an undertaking with their little stock. Whereas, it is reasonable to believe that, if they were able at last to accomplish it, after a long war with the Spaniards and to make themselves masters of both seas—without which, it would be noways profitable, as above mentioned, it may cost more millions than they have hundreds of thousands.

"3*dly*, He deceives the company in one of his principal ends promised—for that it will afford and open a shorter, safe, and more convenient way of trading with the East Indies, than hitherto has been managed from Europe. Now, if by the East Indies he means only China and Japan, and the Malacca Islands, some of which are properly included under that name, I will grant his assertion. But the former of these is noways convenient for our present design, and the latter wholly possessed by the Dutch. But if by the East Indies he intends the Great Mogul's country, and all the ports thereof (which only properly bear that name, and with which the great trade of Europe is managed, and ours is designed), and the ports in the Persian Gulf, and Red Sea, and west coast of Sumatra, equally ports in those

seas—then it is utterly false in every circumstance, and does sufficiently lay open his ignorance in that navigation. But he has the confidence to assert anything for promoting his own private ends, although to the great disadvantage of the public interest.

"For it is known (and any that will give themselves the trouble to make a computation of it may be satisfied) that it is a longer voyage from Panama, or any part on the south side of that Strait of Darien, to several of the trading ports of the East Indies, even in distance of leagues, let them go the nearest way they can, than from England or Scotland. But to the ports of the Persian Gulf and Red Sea, to Museat, Gemborum, Congo, and all those ports of the Mogul's country, although it may be a little shorter in distance than to some other ports of the Mogul's country, yet, in length of time, it will be found a longer voyage to any of them than from Scotland itself, by the usual way of the Cape of Good Hope.

"Then, for the safety of the voyage, if we regard either the danger of an enemy in war, or of the seas at all times, it will be found full of the former, in case of a war with Holland. This renders the navigation wholly unpractical without a strength superior to the Dutch.

"The navigation by the Straits of Malacca, of Banca, and Sunda, is not to be taken but with experienced commanders."

As to the second supposition of the design being to plant a colony on some unoccupied island or place

in America, and to trade there, Mr Douglas insisted that smaller ships than were contemplated by the company would be more suitable for that object, "*as several of the Glasgow merchants*" could testify; and that a less important expedition would be safer for provisioning in a new country. He then enlarges upon the superior profit of the *East* Indian over the *West* Indian trade. He concludes—

"When I reflect on this, I cannot but wonder what unaccountable thoughts some entertain about managing the African, American, and East Indian trade, with a stock of £400,000, and yet propose to mortify half that sum for a bank, when the whole is not sufficient. But if, by a fund of credit is meant only to erect such a constitution of a bank as must always flower and never bud, let such as are for it go on and prosper if they can find such credit, and dare act contrary to the Bank Act of Parliament. But it is reasonable to be considered, if they borrow as much or more than they have realised, and adventure it abroad, which they must do for this trade, then where is the security of that floating fund? It is such a design as is only fit for Mr P. to project and his admirers to practise.—So I shall leave it to him and them, and rest your humble seryant,

ROBERT DOUGLAS."

The reasoning in this paper will be found presently in the hands of a much more unscrupulous assailant of Mr Paterson.

CHAPTER X.

1697.

Proceedings of Paterson, Colonel Erskine, and Mr Haldane on behalf of the Scottish Company in Holland and Hamburg —The Report of Principal Dunlop of the University of Glasgow, and Bailie Robert Blackwood, a merchant of Edinburgh, upon Paterson's conduct in regard to the loss of a large sum of the Darien Company's capital.

THE loss of a large portion of the Company's capital entrusted to Paterson, although it did not in the slightest degree affect his honour, may be truly said to have been the source of extreme difficulties to him his whole life after, and it may even be thought likely to have greatly aggravated the disasters of the Darien Colony. In addition to the clear view of the case in the report, it is enough to state, that the incident in question arose out of the misappropriation of remittances of £25,000 for stores for the Darien Company's projected expedition of five ships to America. At that time such stores were to be got best and cheapest in Holland, and the money was entrusted to Mr Paterson, as the individual among the company's directors who was the fittest for such a trust. The management of the purchases was placed in his hands, along with the

other leading directors of the company, Colonel Erskine and Mr Haldane of Gleneagles. Upon their arrival in Holland, their concern may be easily conceived, when they discovered that the agents employed in the business of the remittance had abused Mr Paterson's confidence. At their return to Scotland the proper inquiry demanded by such an occurrence, was made by the eminent members of the company, whose report, as follows, is taken from the MS., headed:—

"A Report from Mr William Dunlop, Principal of the College of Glasgow, and Mr Robert Blackwood, merchant in Edinburgh, concerning Mr Paterson and the Debt due by him to the Company."

"In obedience to the council-general's order, we have finally considered the whole matter to us referred; and, after serious and long reasoning thereupon, we cannot find the least ground to think that Mr Paterson had any design to cheat or defraud the company, and that for these reasons following:—

"1*st*, Had he intended any such thing, it had been as easy for him to have gone away, and cheated the company of the whole £25,000 sterling, which he was entrusted with, as of the balance now due.

"2*d*, It is evident that, when he went beyond sea, he knew nothing of Mr Smyth's having misapplied that money, or, not doubting in the least, but that Gleneagles would have got it all at London; and both Gleneagles and Colonel Erskine do certify how much he was surprised and afflicted when he

heard of his disappointment; and how earnest and careful he was to get the said Smyth to make a discovery of his effects, to the end the company might be secured therein.

"3*d*, Had Mr Paterson been conscious to himself of any wilful design to have defrauded the company, he might easily have given the slip to Gleneagles and Colonel Erskine beyond sea; and if his intentions were not still honest and just to the company, we cannot properly suppose that he would even venture upon returning to Scotland, to give us his assistance at so critical a juncture, when, in all probability, he might, with security and advantage, pursue other measures in England.

"4*th*, Mr Paterson declares, that his only design in having that money lodged in his hands was for the benefit of the company; and it would have proved so, if the said Smyth had been honest; because—*First*, All the minted money in Scotland was, before that time, cried up to an overvalue, and, being daily in expectation of a great turn in the exchange, and lowering of the money, as it soon happened, the company must needs have lost ten per cent. on the £20,000 sent to London, if it had remained in the company's hands but a little time longer till the money was cried down. *Secondly*, Whereas the company got two or three per cent. by remitting the money at that time, they must have paid eight or ten per cent. more for remitting it afterwards. And Mr Paterson judged the quieter it could be done

the less opportunity would be given to such as dealt in exchange, so that, indeed, his design was rational, had not other intervening accidents rendered it ineffectual. *Thirdly*, To the end the company might have a fund in a convenient place for answering the needful demands abroad, being then resolved to proceed immediately upon action, by which a whole year might be saved, and foreigners encouraged to join with us, when they would see we were in earnest.

"However, we have been very pressing with him, to know if he could propose any fund, or method, by which the balance due by him to the company might be duly satisfied. In answer, he declared that, by his engaging himself in the company's service, leaving his own affairs abruptly, and thereby neglecting also other opportunities, by which he might have advanced his fortune in England, that he had lost more than the balance now due to the company; and actually *condescends* upon * £4000 sterling in the Orphans' Fund, and £2000 sterling in the Water Works in London, which any indifferent person there may be easily satisfied in, by which means he is made destitute of any fund for the company's present payment, nor can he propose any method for their satisfaction, but one of two—either to dismiss him out of the company's service, and allowing him time to recover some fortune or employment, and then as he shall become able he will pay by degrees; or by the company's retaining him in their service, and

* Specifies simply.

allowing him some reasonable consideration out of the company's net free profits for his pains, charges, and losses, in promoting the same, out of which allowance to be given him by the company, he doubts not, in few years, to discharge the balance above mentioned, if Smyth should happen to fail therein. But, at the same time, he hopes that Smyth will be both able and forced to do it to his hand.

"After full deliberation, we humbly offer it as our opinion that this last overture should be complied with, and that because,

"*First*, Any other rigorous method cannot possibly recover the company's money, but may certainly do us innumerable prejudices, which, to mention particularly, we think not fit at present.

"*Second*, Because we find it evident he had no design to cheat the company, as is supposed; but rather a design of the company's profit, as aforesaid, in taking so great a trust upon him, but, by an easy credulity and folly, he was unluckily the instrument of conveying that trust upon Smyth, who misused the same to the company's and Paterson's manifest prejudice.

"*Third*, We are convinced that Mr Paterson's going along with the company's intended expedition is, we will not say absolutely necessary, but may be very profitable and convenient for these reasons—*First*, It is well known that, for a considerable course of years, he has applied himself to the knowledge of what doth principally relate to settle-

ments, and certainly the advantage of his experience, reading, and converse, must needs be very assisting to those whom the company will think fit to entrust with the management of their affairs out of Europe. *Second*, Mr Paterson has certainly a considerable reputation in several places of America; and wherever the company will settle, the account of his being there will, doubtless, be a means to invite many persons from the neighbouring plantations, who are possessed with an opinion of him.

Fourth, The directors, and most part of the company, were convinced that he deserved a considerable gratification there if this misfortune had not happened. And so, since we humbly conceive he is no further accessory to the misfortune than as being unluckily the instrument of handing the said trust to Smyth, we think the overture above mentioned ought still to be complied with.

Fifth, Any consideration he expects is far short of what was first proposed to him at London, viz., £12,000 sterling in hand out of the money paid in, and three per cent. out of the free profits for twenty-one years; and even the resolution of the board of directors for the 6th day of October 1696, may be also considered.

Sixth, The closing of this overture, by allowing him some imaginary credit, as may be easily concerted without any present advance by the company, will not only engage him wholly and constantly in the company's service, but also be a

means to re-establish his reputation, and enable him better to pay any debts due to the company with interest. And that he should have some consideration for all his time, great pains, trouble, and loss is but just and reasonable.

"Now, as to the sum of £21,119, 13s. 4d. of the company's money, charged upon Mr Paterson, and by him entrusted to Messrs Stewart and Campbell and Smyth, we find that the said Stewart and Campbell have accounted to the company for their part thereof, being £4226, 11s., and that the said Smyth has already accounted to the company, by money and security, to the amount of £8713, as per particulars in the account formerly laid before the council-general. So that there remains still unaccounted for to the company the balance of £8284, 18s. 4d. chargeable either on the said Smyth or Paterson, or both. Yet we cannot find that Mr Paterson has touched any part thereof, otherwise than that by his means it was unluckily handed to the said Smyth, as aforesaid, though, by Colonel Erskine and Glencagles' persuasion, he was prevailed upon to grant an obligation to the company for about one-half of the said balance, as being chargeable with it, which the tenor of the said obligation seems to demonstrate to us.

"But as to the further charge of £4272, 4s. 11d. delivered to Mr Paterson by bills and money in October 1696, he has already fully accounted to the company as per particulars mentioned in the account

lately laid before that council-general, excepting only a balance of £678, 14s. 3d.;—of which balance we find he discharges himself by an act of the court of directors, allowing him twenty shillings sterling per diem, during the time of his negotiation abroad, as one of the company's deputies;—which, from the 14th day of October 1696 to the 23d day of June 1697 (being the day on which Colonel Erskine and Gleneagles returned to Scotland), does amount to £248 sterling. We find there was a bill of £115 sterling, drawn by one Allan of Glasgow, returned protested, of which the company did afterwards receive the just value. So that the remaining balance, being £315, 14s. 3d., is (as Mr Paterson says) far short of his necessary expenses in the company's service here and at London, since he first engaged therein in June 1695, which we judge not improbable.

"Upon the whole, we appeal to this council-general whether every member thereof was not once of the belief that Mr Paterson did merit very well at the company's hands till the unhappy miscarriage of the money above mentioned came into play."

To the extreme disadvantage of the interests of the Scottish Company, this judicious and right feeling report was not confirmed in its main conclusion, that Paterson's services should be accepted by the directors. They kept the matter secret; and his *legal* liability in the case may be much doubted, however honourably he chose to bind himself, to provide

for the loss of so large a sum of money—more than his own whole fortune. He had dealt with it absolutely, in the usual course of business, as an agent.

That he should not be employed upon an expedition, urgently requiring such experience as his, and sure to be benefited by his colonial popularity, is a ground of severe reproach to the respectable body that managed the Scottish Company. The boast of the poets of the time, that respect for "*true merit*" was to mark this auspicious era of "*Patersonian government*,"* was extraordinarily sanguine. But the directors were fitly punished in the enormous mischief done in their settlement, by the incapable man placed by them at its head; and they were mortified when receiving by every ship the strongest testimony to the uprightness, ability, and influence of the individual whom they refused to confide in.

* See above, pp. 46–49.

CHAPTER XI.

1698–9.

The departure of the first fleet from Leith for Darien—The consequences of Paterson not being employed in the preparations for the voyage or the conduct of the expedition—He accompanied it as a volunteer—Its gross mismanagement by a council of seven—His report.

The honest pride of Scotland was gratified by completing the difficult task of setting forth a powerful fleet, and a large body of people; confident of success in an enterprise that had the most encouraging examples in the prosperous colonies of England, where tens of thousands of Scots were already settled. The company, unfairly crossed in its efforts to unite with powerful allies, now proved itself able to stand alone. The public feeling responded to the exciting character of the event. "On the 26th of July, of the year 1698, it is recorded, the whole city of Edinburgh poured down upon Leith, to see the colony depart, amidst the tears, and prayers, and praises of relations and friends, and of their countrymen. Many seamen and soldiers, whose services had been refused, because more offered themselves than were needed, were found hid in the

ships; and, when ordered ashore, they clung to the ropes and the timbers, imploring to be allowed to go, without pay, along with their countrymen. Twelve hundred men sailed in five stout ships.*

The numbers of the adventurers, and the scale of their adventure, were without a parallel. The departure of Sir Hugh Willoughby from the Thames, on his fatal voyage by the north-east passage towards Cathay was striking. A new way to an old world seemed then to be opening to the daring English. The young king, Edward VI., sinking into his early grave, was unable to witness the scene, warmly as he sympathised with the work. Sebastian Cabot joyfully shared the triumph that he hoped would crown his long life of science and toil, to bring the ends of the earth together. The result was a frightful sacrifice of our heroic mariners in the frozen ocean —precursors of Franklin and his people.† But Sir

* Sir John Dalrymple's Memoirs, 4to., iii. vi., p. 96. Edinburgh: 1771.

† The preparations of this early English expedition had two striking points of resemblance to Paterson's. It was supported by a joint-stock fund, and it sought a friendly reception among new races of men, by appeals to principles of justice common to all. The letters missive of Edward VI., addressed, on this occasion, to the ruler of Cathay, the Emperor of China, express all that Christianity dictates for the governance of the intercourse of nation with nation. Paterson aimed at the extension of our relations with every people beyond sea, by doing as we would be done, upon a vast scale; and hoped to realise the noblest objects by the humanising ways of peaceful trade.

"Our merchants," says the old chronicle, "even in 1553, counselled diligently with Sebastian Cabota, a man in those days

Hugh Willoughby sailed the leader of his two small ships, and his sixty or seventy men.

The departure of Columbus from Palos for his unknown new world, was more worthy of note, although not so solemn. It was an example, as Mr Washington Irving so well describes the lesson—"an example to encourage the enterprising never to de-

very renowned; and, after speech together, it was agreed that three ships should be furnished out for discovery and trade; and they chose certain grave and wise persons, in manner of a senate, or company, to provide all things requisite. By them the collection of a certain sum of money was thought expedient, and every man willing to be of the society disbursed £25; so that in a short time, £6000 being gathered, three ships were bought.

"At their sailing from Ratcliffe, a very eloquent oration was spoken by Master Henry Sidney, a noble young gentleman, much beloved by King Edward."

After a brief report of it, the narrator continues—"Being come near to Greenwich, where the court then lay, the courtiers came running out, and the common people flocked by them, standing very thick upon the shore—the privy council looked out at the windows; and the rest ran up to the tops of the towers. The ships discharged their pieces after the manner of war and the sea, insomuch that the tops of the hills sounded therewith, the valleys and the waters giving an echo; and the mariners shouting in such sort, that the sky rang again. To be short, it was a very triumph to all beholders. But, alas, the good King Edward, in respect of whom, principally, all this was prepared, he only, by reason of his sickness, was absent from the scene; and not long after, the most sorrowful accident of his death followed."

At the sailing of a like expedition, three years after, "the right worshipful Sebastian Cabota came on board at Gravesend, with divers gentlemen and gentlewomen, to take of such cheer as could be had there. They gave to the mariners liberal rewards, and the good gentleman, Master Cabota, gave to the poor most liberal alms, wishing them to pray for the prosperous success of

spair."* But, Columbus, too, although with only three poor Caravels, and a handful of men, was their appointed chief.

On the present occasion, on the contrary, the man who had created this gallant expedition, and up to his last hour possessed the best affections of his countrymen at large, and was the burden of their ballads—took no part in its guidance, or any other share in these hopeful preparations, than such as concerned his own and his little family's equipment.

Mr Paterson could not be refused a passage in what, so to speak, was *his own fleet;* but he was compelled to embark as a private adventurer; and the only individuals of all that great company, to whom he could lawfully give a direction, were probably his wife, who went with him, and the servant, in whose name, as before stated, there stands a subscription of £100, on the company's books. The advice of the referees, in their report, that he should be employed in the expedition, was not followed. He had himself proposed a rational scheme of government for the colony. The incredible plan adopted was to place it under a council of *seven men without a chief;*

his pinnace. Then, at the sign of the Christopher, they danced, and for very joy, Master Cabota to see the towardness of the intended discovery, he entered into the dance himself, among the rest of the young and lusty company; which, being ended, he and his friends departed, most fervently commending the voyagers to the providence of Almighty God." Cabot was then eighty years old.

* The Life of Columbus, 8vo, vol. i., p. 175. 1828.

and the seven appointed were singularly inexperienced or incompetent.

The expedition sailed under sealed orders, to be opened at Madeira; and from that island they proceeded to Darien without any knowledge whatever of their particular destination.

The common notion that Paterson acquired his acquaintance with that region by having actually explored it, is one of the many assumptions in his story without proof; and in this instance the assumption is opposed to express evidence the other way. In the journal of a surgeon, in the company's service, published long ago, it is stated that they came by providential guidance to the spot, which was unknown, not only to themselves but to all the French, Dutch, and English voyagers, who had long frequented those seas." *

Another original journal, in the Darien Papers in the Advocates' Library, contains a passage to the same effect, and even more directly proving that there is no foundation for the statement of Paterson having got his knowledge of the country by actually exploring it. All the members of the expedition, including himself, were perfect strangers to the coast. The entries in this journal are as follows:—

The 30*th of October* the entry is:—"The *St Andrew* and *Unicorn* anchored in a fine sandy bay, about three leagues to the westward of the gulf of

* Miscellanea Curiosa, 8vo, vol. iii., p. 418. London: 1707. Dr Wallace's Journal, read at the Royal Society.

Darien. The *Caledonia* and *Snow* stood off to sea all night.

"31*st*.—This morning we went in boats to Carret Bay, about two leagues to the west of where we anchored last in, to view the bay, and endeavour to get intelligence of Golden Island, we being at a loss, for none of us knew this land.

"*Nov.* 1.—In the forenoon we anchored within half-a-mile of Golden Island. In the afternoon we went in our boats to sound all about Golden Island, which we did with great exactness; but found it not convenient for our ships, there not being room enough for ships of our length to swing in.

"*Nov.* 3.—Yesterday, in the afternoon, we went in our boats to sound a bay, about four miles to the eastward of Golden Island, and found it a most excellent harbour, . . capable of holding 1000 of the largest ships in the world."

The disastrous issue of what began so imprudently, is well known; and Paterson's report of the conduct of it fully accounts for that result. It is here republished from the original, as printed by the Bannatyne Club.

"Report of Matters relateing to the Collony of Caledonia, made to the Right Honble. The Court of Directors of the Indian and African Company of Scotland.*

"*Att Edinburgh, the nintenth day of December*, 1699.

"Right Honourable,

"On the sixteenth day of July 1698, I arryved on

* From the original, corrected and signed by Paterson, in the Miscellaneous Collection.

board the Company's ship the *Unicorne,* in order to my voyage in the afternoon. I went on board the Saint Andrew; and although I was not of the Councell, yet the care and concerne I hade for the success, obliedged me to speake to Captain Pennicook for calling a Councell before we set saile in order to consider how they were provided for the voyage, and to represent to this Court what might be defective: but I was answered—*I must give him leave to think that he knew his business and the instructions he had to follow,* or to this purpose.

"Two or three dayes after we sailed, the Councell was called on board the *Saint Andrew,* where they found the *provisions and necessarys for the voyage fall exceedingly short of what was given out or expected;* whereupon the people were reduced to a much shorter allowance; and the next day the Councell wrote letters signifieing their condition, designing to land those letters att Orknay; but the foggy, hazy weather and currents not only prevented that, but endangered the ships, and occasioned the separation of the *Unicorne* and *Indeavour Pink* from the rest.

"After our meeting att Madeira, the Councell wrote their condition by way of Lisbon and Holland; but in as sparing and generall termes as possible, least these letters should be intercepted to the prejudice of our designs. These letters were dated the 29th day of August 1698.

"When Captain Pinkerton and I were at the Island

of St Thomas about the beginning of October, we mett with one Captain Richard Moon of Jamaica, who commanded a sloop of about eighty tunns. He was bound from New York to Curasao with provisions, but by the way touched att Saint Thomas, where he mett with us. *The man I had known in Jamaica many years before; and we perswaded him to follow us to the rest of our ships then riding at Crab-Island.* When he came he found our goods so dear and ill sorted for his purpose, that, upon the conditions we proposed, he would not part with any of his provisions; upon which I represented to the Councell that it might be of ill consequence for us not only to miss such a quantity of good and new provisions, but the report he might give of our goods being over-rated would unavoidably be an ill preparative for others; whereas the agreement with him, though at a dear rate, would incourage him and many more to come to us with the greater speed and earnestness; also that I had heard the goods were considerably over-rated. But however it was, two or three hundred pounds loss ought not to be put in ballance with the risque of the design: which, if it miscarried I was apprehensive the Company would however get but a lame account of their cargoe,—Wherefore, it was better to risk a part of it upon the prospect of something, than inevitably to loss it without any prospect at all. *To all this I was answered, that they were not oblieged to take notice of any particular man's assertions as to the over-valueing*

or ill *buying the goods;* but rather to believe the prime coost was as in the Company's Invoyce; and that they would not be so imposed upon by Capt. Moon. Thus Mr Moon parted from us. But before he went I took an opportunity to tell him, that by reason of the stowage in those crowded ships, he could not now have a sight of the greatest part of our Cargoe; but if he and his friends would send us a sloop with provisions from Jamaica, and also come himself as soon as he could, I did not doubt but he would dispose of them to his sufficient satisfaction, which he promised to doe, and had some discourse thereof with the rest of the Councellors before we parted.

"Dureing the voyage, our Marine Councellors did not only take all upon them, but lykewayes browbeat and discouraged every body else, yet we hade patience, hoping things would mend when we came ashore; but we found ourselves mistaken; for though our Masters at sea had sufficiently taught us that we fresh-water men knew nothing of their salt-water business,—yet when at land, they were so farr from letting us turn the chase, that they took upon them to know everything better than we.

"I must confess it troubled me exceedingly to see our affairs thus turmoyled and disordered, by tempers and dispositions as boisterous and turbulent as the elements they are used to struggle with, which are att least as mischieveous Masters as ever they can be usefull servants. To this disease I proposed

as a present ease and a part of a remedy, that a President of the Councell should be chosen for a month, and that the first should be a land Councellor, and that every land Councellor might take his toure before any of those of the sea should come in place. This, I reckoned, would be four months; and in this tyme I was in hopes that we might be able to make some laws, orders, and rules of Government, and by People's management in the tyme, be better able to judge who might be most fitt to preceed for a longer tyme, not exceeding a year. This my thoughts I imparted to our Land Councellors; but they, like wise men, had begun to make their Court, and agreed before-hand with those of the sea that the Precedency should last but a week; and though I urged that it would be to make a meer May game of the Government, and that it would reduce all things to uncertainty and contradictions, yet this determination of the rest was unalterable. Upon which Mr Montgomery was chosen the first President; after which we began to proceed to business.

"The first thing fallen upon was a place of landing; but the Sea Councellors were for a meer Morass, neither fit to be fortified nor planted, nor indeed for the men to ly upon. But this was carried by main force and a great struggle, although I know no reason they had for it, unless it might be to save one of their boats the trouble, once in two or three dayes, to bestow three or four hours to

supply the Land-men with water. We were upon clearing and making Hutts upon this improper place neare two months, in which tyme experience—the schoollmaster of fools—convinced our masters that the point now called Fort Saint Andrew was more proper for us; upon which they appointed Captain Thomas Drummond to oversee the work, who, according to the tools he had to work with, did beyond what could be reasonably expected from him; for our men, though for the most part in health, were generally weak for want of sufficient allowance of provisions and liquors, and this inconvenience upon them was the harder by reason of the irregular serving of their scrimp allowances, for our marine masters continually pretended other urgent business, and so could hardly spare their boats to bring the land provisions and conveniences ashore, and many of the most needfull things that I know were only designed for the shore, were detained on board under pretence they belonged to the ships.

"When we arryved first, we were, as it was, in a Prison for want of sloops, briganteens, or other good, stiff, windwardly vessells; for the *Snow* or the *Pink* were utterly unfitt for that purpose, otherwayes the sending home, as also to all our friends in the Plantations, ought to have been the first things done. The inconveniency of this was foreseen; but it seems could not be prevented. About the twentieth of December, a sloop arryved from Jamaica, commanded by Mr Edward Sands, freighted by Captain

Moon and Mr Peter Wilmot of Port Royall, and a part belonged to one Master Robert Allison, who came from aboard of Moon's sloop along with us from St Thomas Island. This sloop was consigned to Mr Allison, and in his absence to me. Upon report of her cargoe, the Councell ordered Captain Jolly and Captain Pinkerton to agree with Allison, which agreement was, that they should have our Goods as they cost in Scotland, and we were, in lieu thereof, to have the sloop's cargoe of provisions as it cost in Jamaica, and, as I remember, ten per cent. advance; whereupon the sloop's provisions were put aboard one of our ships, and the goods in exchange were to be delivered by us to Captain Moon, who was expected in a month after.

"Before this tyme, Major Cunningham, one of our number, was become so uneasie, and possest (as we thought) by so unaccountable conceits and notions, that he gave us no small trouble, and at last would needs forsake not only his post, but also the Colony. This very justly offended the rest of the Councellors, considering their raw and unsettled circumstances; and some thoughts there were of detaining him by force. But after weighing his temper, they consented to his going; but thought it were prudent to part with him in friendship than otherwayes, least any that might espouse his humour in Scotland, should prove a means of retarding or frustrating our needfull supplyes. Upon these considerations, they gave him a generall letter of recommendation, but no in-

structions in writing; and Mr Hamiltoun hade also verbal orders to intimate the matter, but so cautiously as not thereby to prejudice the Colony's interest.

"In order to cure as much as possible the convulsions we laboured under from the weight of our marine Governours, Mr Cunningham, Mr Mackay, and I agreed to try, before the Major went away, if we could perswade them to the admission of two or three new Councellors. But instead of complying with so reasonable a proposal, the three Gentlemen fell out into the greatest passion and disorder possible, and Mr Montgomery falling in with them, nothing could be done in it at that tyme.

"Major Cunningham's going home proceeding not from the Councell, but from himself. They proposed to send home a person who might by word of mouth represent to the Company things that could not be so well committed to writing. The Captains Pennicook, Pinkertoun, and Jolly, proposed Mr Hamilton; Mr Cunningham and I were for Mr Samuell Veatch; Mr Montgomery was for one Mr Alexander Baird; and Mr Mackay was non liquid. My reasons against Mr Hamilton going away were, that he was appointed by the Company their Accountant-generall, and indeed was the only person we have left fitt for that and the management of the cargoe, which at this tyme was in such disorder and confusion that I saw no way of bringing it into method but that Mr Hamilton, and such others as were capable to assist

him, should go immediately about it; and thought Captain Veatch, or some other gentleman who could be better spared by the Colony, might be capable enough for that errand; whereas Mr Hamilton, his being taken from his station without supplying his place, would unavoidably reduce things to that disorder and confusion in which I am afraid the Company will find them when they come to enquire into the management of their Cargoe.

"After Mr Hamilton was dispatched in Sands his sloop by way of Jamaica, a design was sett on foot to send Captain Pinkerton and Captain Malloch in the *Dolphine Snow* to Curasoa, Saint Thomas, and other islands, to the windward. The design was to settle a correspondence, and to buy a sloop or two, together with rum, sugar, and other things we wanted from them. But I made objections against this voyage—First, Because in our passage from Scotland we found the *Snow* no windwardly vessel, and the north and strong north-easterly winds were not yet over, and I questioned if anything abated, and therefore I believed (as it happened), that she would never be able to get to the windward; and, in the second place, either Pinkerton or Malloch could doe anything that was to be done as well as both, whom we could not well spare by reason of our scarcity of good sea officers; and in the last place, I questioned if our present circumstances would allow of thus remote adventuring of so considerable a part of our cargoe; but that it should

rather ly ready by us as a bait to such as should come with present supplyes, which we very much wanted at this time, and, for anything I saw, were lyke to want much more. But to all this I was answered in the usual forme, that I did not understand it.

"After Captain Pinkerton was gone Capt. Moon arryved, and on board him his owner, Mr. Peter Wilmot, who called for the return of the provisions we had by Sands; when we came to offer him goods by our Invoyce, he said he could buy them as cheap, if not cheaper, in Jamaica, complaining that the Invoyce was not a true Invoyce, but the goods were over-valued above forty per cent. However, after some clamours, the Councell agreed with him for thirty pound per cent. abatement upon the Invoyce; yet he would not let us have any more of his provisions at that rate, but parted with us, complaining that he should be a losser. It vext me not only to see us part with such a parcell of provisions, but also for the effect it might have to discourage others, as it afterwards happened.

"As the native Indians, at our first coming, had made us severall advantageous offers to undertake against the Spaniards, so now, in this month of February, they continued to alarm us with the preparations of the Spaniards, and to press us from severall parts to an undertaking against them. Among these were Corbet of the Samblas, Dugo of the Gulph, and Pausigo of Carreto, with others.

But we still answered them, that our King was att peace with the Spaniards, and soe we could not make warr, unless they begune with us; but whenever they did, we would repell force by force, and assemble all the Indians and others that were willing to assist us against them. They exprest a wonderfull hatred and horrour for the Spaniards, and seemed not to understand how we could be at peace with them, except we were as bad as they. It's certain this was the true season of the year for undertakings of that kind, and our people were then in health, and indifferent strong, which they happened not to be afterwards, when the Spainiards had given us sufficient provocation, and when the season was not soe proper. But afterward, upon information that a great party of Spaniards were come overland, and from the south seas, to invade us, and were then at an Indian house two or three leagues from the other side of the harbour, we sent Mr. Montgomery with a party of men to know the truth; but, instead of a body of Spaniards, found only a few men who were sent thither to get intelligence, who, when our men came upon them, took their opportunity to fire att them from the thickets where they were placed, and then rune away, having killed two or three, and wounded some others. Our men returned the salute without any execution that we know of. This party consisted of twenty-five men, as we heard afterwards. This party had been detatched from a body of fifteen

hundred men, then at Tabugantee, and from thence designed to invade us by land; but, by reason of opposition from the Indians, and other obstructions they met with they afterward disperst, and came to nothing.

"Some dayes after Captain Moon was gone, returned Captain Sands from Jamaica, as also arrived one Captain Ephraims Pilkington, both laden with provisions, all which the Councell bought, and sent Pilkington with his sloop or shallope to trade upon the Spanish coast, while Captain Sands went a turtling for the Collony. Some dayes after this, Captain Pennicook and Mr Mackay hade a great falling out. I endeavoured not only to compose their difference, but, if possible, to bring some good out of it. Wherefore I represented to them separately how sad and scandalous our condition was; that if any two of us had a difference, the remainder hade not authority enough to reduce them to reason: therefore advised and perswaded them both to consent to the admission of two or three new Councellors. This they severally consented to, agreeing that I should move it, and that they should be seconds; and if Messrs Montgomery and Jolly did oppose it, to carry it by vote. Accordingly, I moved it, and they did second it, but so very coldly that though Mr Jolly was in the chair, and so three against one, yet I could not so much as get my motion entered, much less a liberty to protest that the majority was for it, and soe it was past of course.

This motion raised me much envy and trouble, which continued a long time after.

"Before Major Cunningham went away, there was something done he would have protested against. I doe not remember the thing, only that I was not of his opinion as to the matter, but was for allowing him a liberty to protest, as all other Councellors ought to have had. For this I urged the custom of most civill societies in the world, and the express meaning of the Company, when they in their instructions say that one Councellor shall not be lyable to the defaults and miscarriages of the others, but every one for his own default; but, say or doe what I would, there could non of them be perswaded to it; nor was protests or entries of motions or dissents att all allowed by the old Councellors; but, indeed, that doctrine was as much exploded by the new Councell as ever that of passive obedience has been upon another occasion.

"About the tenth or twelfth of February, within a day or two of each others, arryved two sloops from Jamaica, the one of which was commanded by Mitchell, and the other by Mr William Robbins. That of Robbins was consigned to me in his absence, and Mitchell was recommended. Robbins offered his provisions as soon as ever he came in, and Mitchell would also have sold his. Their main design was about fishing the French wrack att the entrance of our harbour, of which the Councell acquainted this Court, and the provisions were

only brought in by the bye. Our Councellors would not be perswaded in time to take these provisions; and afterwards those purse-proud fellows, having time to understand our wants by the murmures of the people and other circumstances, took humers in their heads, and would not part with their provisions upon any account, unless we could have given them money.

"Att this tyme, in hopes the tyme of the strong breese was over, or at least much abated, we sent out the *Indeavour Pink*, under the command of Captain John Anderson, and a stock of some hundred pounds value was on board of her, whereof Mr Robert Allison was supercargoe. She was to touch att Jamaica, and goe from thence to New York, and return to us with provisions; but, after she had beaten about a month, and not got fourty leagues to the windward, she was forced to returne to us again, after having become leaky by the stress she had mett with att sea.

"About the beginning of March, Captain Pilkington returned from the coast of Carthagena, having had litle or no trade by reason of the badness and unsuteableness of the cargoe, and brought us the unhappy newes of the loss of our *Snow*, and the imprisonment of Captain Pinkerton and his crew att Carthagena; of all which we advised the Company by ane occasion of the sixth or seventh of March. Mr Mackay was then sick of an intermitting fever, and his lyfe hardly expected; and, by reason of

some heats that arose between Mr Pennicook and Mr Montgomery, all things seemed to be att a stand, for Mr Jolly and I hade not authority to make peace between them when att variance, nor to cause them to keep it when made. I could think of nothing to cure this distemper of ours, but either an addition of Councellors, or a Parliement. About an addition of Councellors we could not agree, and we should loss tyme in staying for a Parliament: Wherefore it was resolved to call a Parliament as soon as possible; and in the meantime, to dispatch the Captains Pilkington and Sands to Carthagena, with a messenger and letter, to demand our prisoners and effects, and to declare that, if they refused, we would immediately grant reprizalls; and accordingly, commissions were given to Pilkington and Sands, to be put in execution in caice of refuseall made, to Mr Alexander Mackgier, our messenger; but Pennicook agreed not to signe these dispatches.

"About this tyme Captain Pennicook begane to be very uneasie, and to publish that there was not a moneth's provisions in the Collony, no not neare eneugh to carry us off the coast, and this he publisht industriously upon all occasions; but, in order to putt a stope to the clamours, att the first and second meetting of the Parliament, some of the members were appointed to take a narrow scrutiny of the provisions on board the severall ships and ashore. This scrutiny lasted severall weeks, and at

last could never be very exactly taken, of which Pennicook himself (with whom concealed provisions were found) was none of the least occasions.

"By this time, being about the twenty-fourth or twenty-fifth of March, Mr Mackay was pretty well recovered, and the Captains Pilkington and Sands returned from Carthagena with our messenger, Mr Alexander Macgie, who brought the refuseall of our prisoners and effects, and a letter from the Governour of Carthagena to that effect. They met with, and brought in their company, a New England Brigantine, which was bound to us with provisions, but hade mist our porte. One Philips commanded her. Two or three dayes afterwards, Pilkington and Sands arryved before the harbour, Captain Moon, his sloop the *Neptune*, and another Jamaica sloop, commanded by one Mathias Maltman of Jamaica. Mr Wilmot sent a canoa with a letter to me about some goods he had left to be disposed of. Whether they hade any other business in, I know not; but, as I was about to answer his letter, Pennicook being President, arrested the canoa, with all the men that were in her, being twelve or fourteen. The pretence was, that Moon's sloop hade carried away a boy called Skelton, and all the men stopt. Nay, Moon's sloop and all his effects was not able to make satisfaction for this boy of Pennicook's. I did what I could to gett a boat or canoa to send out, that the boy might be sent in, and the canoa released, but an embargoe was laid upon every

thing; so the sloops were forced to ly off and on all night for their canoa and men; and when I saw I could not prevaill for a boat, I endeavoured to gett the men out of the guardhouse. The next morning early Captain Pilkington went in his canoa aboard of Moon, and told him what was the matter. By him I sent a letter to Wilmot, to come ashore and justifie himself. The boy Skelton was brought, and Mr Wilmot also appeared; but instead of accusing Mr Wilmot of anything regularly, as I had reasone to expect, it all ended in a litle hector and Billingsgate. Mr Wilmot stayed till the afternoon; and before he went away I came to Mr Mackay's hutt, and Mr Wilmot came also to take his leave. The rest of the Councellors were then together; and upon my coming, they calls me in, and Mr Mackay presents me a paper to signe, which contained a warrant to Captain Robert Drummond to take boats and goe and bring in Captain Mathias his sloop. When I asked what reasones they hade for it, Mr Mackay answered, that they were informed that this sloop was a Spanish sloop, and was fraughted by three Spanish merchants, now on board her, and bound for Portobello, with I know not what, for a treasure of gold and silver bars; and added, I warrant you will not medle, because your friend Mr Wilmot is concerned. This usage did not please me. But, however, I told them, if she was a Spanish sloop, I was as ready as they; but, if belonging to any other nation, I would

not be concerned. But, however, I signed the warrant to bring in the sloop. When she was brought, instead of a Spanish we found her a Jamaica sloop, with two Spanish passengers, and, as I heard, about 80 or 100 pounds value, in peeces of eight, Spanish pistolls, and gold dust. When I found this, I must needs say I was very angry, and endeavoured to get the sloop and men discharged next day, as being an English bottom. To this purpose, I laid the law before Pennicook, and afterwards to Mr Mackay, who by this tyme had brought the men and money out of the sloop. Upon this, I said I would write home about this matter, and then left them. Upon this occasion, God knows, my concern was not upon my own account, or any humor of my own, but the true love of justice and good of the Colony; in which concern of spirit, I heartily wished that they might not have cause to repent of their inhuman usage of those, before any other friendly strangers came to visit them, or to this effect. When I was gone, there was a Councell called, consisting of Pennicook, Mackay, Montgomery, and Jolly, where, as the secretary told me afterward, they confirmed the taking of the two Spaniards and the money from on board the Jamaica sloop. I suppose the minutes of the 29th or 30th of March will show it.

"The Councell not only bought what provisions Captain Philips had on board, and also hired his Brigantine express for Scotland; and, besides, an

address to his Majestie, to lay before him our ill usage by the Spaniards, and the needfull dispatches to the Company, to carry some intelligent and well-instructed person, to make a more lively representation of our circumstances to the Company. But although Mr Mackay was pretty well recovered, yet they could not at all agree upon the person to be sent. This and the lyke delays and interruptions occasioned another motion for an addition to the Council, in order to carry things more smoothly for the future. But upon this motion, Mr Montgomery opposed it, and then withdrew. Mr Jolly also opposed it, but continued with us till Mr Colin Campbell was named and voted, and then he lykeways withdrew; and although we sent our Secretary severall times, entreating them, in a friendly and respectfull mainer, to give their attendance and assistance in Council, yet they refused, and altogether forsook us; and not only so, but some small time after left the Colony.

"After the admission of Mr Colin Campbell, Mr Samuell Veatch, Mr Charles Forbes, and Mr Thomas Drummond, we proceeded to transmit the address to his Majestie, and the other needfull dispatches to the Company; and Mr Daniell Mackay was pitcht upon to be the person should carry them, who was parted from us the tenth or eleventh of Aprill last.

"Upon the returne from the Governour of Carthagena, we began to think of undertaking something considerable against the Spaniards; but the rainy

season then approaching, together with the sickness of some, and the generall weakness and rawness of our men, made it impracticable at this tyme by land, wherefore the ships were ordered to be in readieness; and in the mean tyme, Pilkington and Sands were ordered to cruise upon the coast of Portobello, to take what they could by way of reprisal; as also what prisoners they could light upon, for intelligence, guides, and pillots. Within twelve or fourteen dayes, Pilkington and Sands returned without any prize but one, that of a sloop they found riding at anchor at the Samblas, without anybody in her; nor did anybody appear, although there were many gunns fired, and almost two dayes spent, expecting some of her crew, or other intelligence who she belonged unto. At last they brought her away, as thinking her to belong to some pirrats we heard were upon the coast, who might have been gone out upon some land expedition in their canoas.

"Pilkington and Sands also acquainted us of their receipt of letters from Jamaica by a sloop they met with at sea, by which they were very much threatned for engaging with us, and upon this desired to be paid what we owed them, in order to returne home. We gave them such goods as we had, and as much to their satisfaction as possible; but, after all, there remained a ballance of more than a hundred pounds sterling to Captain Pilkington, and above twenty pounds to Captain Sands. They parted with us the twenty day of Apryle; and Captain Pilkington promised, as soon as he arryved, to send us a sloop with provisions, and, as soon as he could, would follow after with his family and effects. In the mean tyme, there was a plott to run away with the ship the *Saint Andrew*, discovered, and that severall persons were suspected to have a hand therin. I hade then some fitts of an intermitting fever; but, however, I put force upon myself as much as possible to be present in the Councells, least some rash act should be committed, or an innocent man should suffer. After all, it was found to be the melancholly discourses of three or four fellowes, who, among others, were miserably harrassed by Pennicook's unequal government on board.*

"Our men did not only continue dayly to grow more weakly and sickly, but more, without hopes of recovery; because, about the latter end of the moneth of Aprile, we found severall species of the litle provisions we hade left in a mainer utterly spoiled and rotten; but under these our very unsupportable difficultyes, it was no small ease and satisfaction to the Colony to find their Sea-Commanders reduced to reason, and their Councellors become so unanimous, patient, and prudent, by whom the doctrines of non-protesting and non-admission were exploded with disdain, and any former misunderstandings, irregularityes, or disrespectfull carriage to one another in the old Councell, were now become as so many lessons of warning to the new, by which there

* See above, p. 142.

was much contentment, and few or no grumblings among the people, as every one expected with patience the arrival of good newes, and the needfull recruits from the mother country, to make way for happy dayes and glorious success to come, which the good and hopefull condition of their government seemed to be no small pledge of.

"Towards the beginning of May, there arryved a French sloop from Petit Guavas, with a letter from the Governour Du Cass about the before mentioned French wreck. One Captain Tristian commanded this sloop, and one Du Cass was as supercargoe aboard of goods for the Spanish coast. They made some stay about the wreck; and before we received the unhappy newes of the proclamations, they sailed for Portobello. This Captain Tristian hade, some years agoe, by shipwreck upon this coast, been forced to live a great while among the Indians, and to goe naked as they. He spoke the language, and admired this countrey for healthfullness, fruitfullness, and riches, above all other in the Indies, and said he would come and reside among us, and doubted not but above five hundred of the French from Hispaniola would soon be with us. He told us this countrey was reckoned by those who had tryed the difference much more healthfull then Hispaniola, or any of the American Islands, so that severall French who knew it, began to use the coming from Hispaniola in trading or fishing sloops to recover their healths; and of this he had experience severall

tymes, and now even at present, though it was the sickly season for new comers. He said, there is such a thing as a more sickly tyme of the year then other in all countreys, as the season here was from Aprile or May to September, and then all that hade any means to doe it would recover. He will take the first opportunity to write us the newes, and the true state of the Spaniards from Portobello.

"Upon the third day of May we dispatched the sloop brought in by Pilkington and Sands to Jamaica with money and other effects, in order to purchase provisions and necessaryes for the Collony. Of her designe we hade given a hint to Captain Pilkington before he went away, the better to be in readieness to fraught her when she should arryve. Mr Hendry Patton hade the command of this sloop, and Mr Alexander Burnet was to manage any negotiation ashore. Then we began to expect these two sloops, viz. that of Pilkington's, and this from Jamaica; also, that other supplyes would be dropping in till a reinforcement should come from our countrey; when, instead theirof, upon the eighteenth day of May, a periagua of ours returned from the coast of Carthagena, which hade mett with a Jamaica sloop, by whom she hade the surprizing newes, that proclamations were publisht against us in Jamaica, wherein it was declared, that by our settlement at Darien, we had broken the peace entered into with his Majesties allyes, and therefore prohibited all his Majesties sub-

jects from supplying or holding any sort of correspondence with us, upon the severest penalties; and it seems the Governour of Jamaica had been soe hasty and precipitant in this matter, that these proclamations were published upon the Sabbath day (the lyke whereof had not been formerly knowen). But it was to prevent the going out of two sloops bound out next morning, and fraughted with provisions for Caledonia. This sloop also reported, it was rumoured at Jamaica, that the company hade asked some thing or other, they knew not what; but only, that it was unanimously rejected by *the Parliament of Scotland*. This I could not believe; yet the report therof, at this juncture, did us a great deal of harme, and added to the disorder people were in about the proclamations; and it seemed impossible to stay them for above a week at most. Although, considering our low and distrest condition for want of supplyes, the prohibiting the King's English subjects from trading, or so much as corresponding with us, was very discourageing, yet the declaring we hade broken the peace, and, by consequence, proclaiming us pirates, before we hade been once heard, or summoned to answer, so very contrary to the usual proceeding even in case of real piracy, was most of all surprizeing, and became the generall occasion of peoples concluding, that the long silence of our countrey proceeded from no other cause but that they were brow-beaten out of it, and durst not so much as send word to us to shift for ourselves. *Upon these*

and the lyke apprehensions every one more than others begane to be in haste to be gone. When I saw there was no talking against our leaving the place, I perswaded them what I could, that first rumours of things of this nature was alwayes most terrifieing, and that happily our native countrey knew nothing of all this. *If they would not go, but remained firme to the designe, there was non of us but would afterward be ashamed of our precipitant forwardness in going away upon this occasion; therefore I desired them not to designe, or so much as talk of going away; but only, since our landmen were so ill, that they were no more in condition to defend the fort, that they might embark some or all of the best things on boord the severall ships, as places of greater security, and if we must leave the harbour, nay, the coast, that we should think of it only by precaution, and even returne when we should be at sea, if we mett with any newes or supplyes from Scotland, which I did not doubt of our meeting with, if we did not make too much haste.* This they seemed to agree to, but not by any meanes to lose tyme in going out; but although they had agreed the contrary, yet it was immediately among the people and strangers with us that we hade resolved to desert the place. FROM THAT TYME, ALL I COULD PRETEND TO, WAS ONLY TO CONTRYVE LETTS AND STUMBLING-BLOCKS TO THE PROCEEDINGS. ANOTHER THING I THOUGHT UPON WAS, IF OUR SLOOP ARRYVED FROM JAMAICA, TO STAY WITH TWENTY-FYVE OR THIRTY MEN UPON THE COAST, AND LIVE UPON TURTLING AND FISHING FOR SOME TIME, TILL WE

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SHOULD SEE IF ANY RECRUITS, OR NEWS, CAME FROM SCOTLAND. This I imparted to Captain Thomas Drummond, who seemed most concerned at our leaving the place. He seemed very well pleased with the proposal, if it could be reduced to practice, with only this difference, that I should go to Scotland, in order to represent some things of moment to the company, and he stay in my place on the coast. But our sloop not coming from Jamaica before our going away, as also the almost universal falling down of our men, and wanting means to recover them, rendered this design of staying upon the coast impracticable.

"About ten days before we went away, arrived another French sloop, who said she came last from Carthagena, and told us, the new governor, so long expected, was arrived from Spain about three weeks before, and had made the old governor and most of the officers prisoners, for yielding up that place to Pointis. They also pretended there were four French men-of-war on the coast, and that the Spaniards were making great and speedy preparations against us. They had no sort of goods aboard, and were by us suspected for spies. Indeed, one of the two gentlemen in her seemed not unfit for that purpose. What their names were, my sickness gave me not leave to know, but we left them in the harbour when we came away; before which, we received a letter from Captain Tristian at Portobello, whereof he gave us the whole state of the Spanish

preparations, with his conjectures that they would not be ready against us in less than four months. He concluded with his hearty wishes that the Scots fleet might be with us before that time came.

"About the 5th of June I was taken ill of a fever; but trouble of mind, as I afterwards found, was none of the least causes thereof. By the 9th or 10th of June, all the councillors, and most of the officers, with their baggage, were on board the several ships, and I left alone on shore in a weak state. None visited us, except Captain Thomas Drummond, who, with me, still lamented our thoughts of leaving this place, and praying God that we might but hear from our country before leaving the coast. But others were in so great haste, that the guns in the fort, at least those belonging to the *Saint Andrew*, had been left behind, but for the care and vigilance of Captain Thomas Drummond.

"In my sickness, besides the general concern of my spirits, I was much troubled about a report spread abroad of Captain Pennicook, as designing to run away with the ship, on pretence that we were proclaimed pirates, and should be all hanged when we came home, or at least the company would never pay the seamen their wages. In my intervals of ease I would fain have had a council, and Pennicook come on shore, to inquire and take order about this report, and if any truth were in it to have secured him on board another ship. But I could not get them to me by reason of illness, at least pre-

tended illness in some, and I was not able to go to them.

"June the 16th, as I remember, I was brought on board the *Unicorn*, in a great hurry, they pretending they would sail next morning; and they seemed to be in so great haste, that I apprehended they would hardly stay for one another, as afterwards it happened. My things were that night some of them put on board, some of them left behind and lost, and almost all of them damaged and wet, which afterwards rotted most of them. Among the rest were lost several brass kettles of my own, and sixteen iron pots belonging to Mr of Jamaica. There also remained due to me from the colony about seventy-two pounds sterling, for which they had sugar, tobacco, rosin, and other things for the use of the ships and men ashore, and for which I was promised money or effects immediately. But my sickness prevented my getting the balance of that account then, and it remains yet due to me. But the worst is, it belonged almost all to other people.

"I think it was upon the 18th of June that the *Caledonia* got under sail, and the *Unicorn* followed. Both warped out beyond the black rock; but had like to have been lost in the night by a squall of wind, or a tornado; and for want of hands the *Unicorn* lost one of her hands and a long boat. The *Saint Andrew* set sail next day, and was as forward as any of them. The *Unicorn* lost the wind by endeavouring

to recover her long boat, and was forced to come to an anchor under Golden Island, where she rode in no small danger; but it pleased God there was no squall of wind that night. The *Caledonia* and *Pink* were quite out of sight; but the *Saint Andrew* came to an anchor about two leagues, as I guess, towards the north-west of us. Next day, being the 20th, we saw none of the ships, and, for want of hands, were forced to cut, to get clear of that unhappy place where we rode, and so lost another of our anchors.

"Upon the 18th, as we were warping out, Captain Thomas Drummond came on board, and acquainted us that Captain Veatch and he had met twice on board the *Saint Andrew* with Pennicook and Campbell; and that he was now come from the last meeting, whereat they had resolved upon leaving the place, and that they had agreed to touch at New England to get provisions. Captain Drummond also offered me two papers to sign. I was very ill, and not willing to meddle. But he pressed it, saying there could be no quorum without me; because four councillors must sign the instruction to the two aboard of each ship. Upon this I signed them. They contained, as I remember, the one an order to the several captains to keep company with one another, and to go for Boston or Salem in New England, and the other was an order to the two councillors on board each ship, or the survivors of them, in case of separation, to dispose of such of the cargo as they could, and after supplying the several

ships with provisions, to carry what remained to Scotland for the company's use. He said he would see me next day, but I saw him no more till we met at New York.

"That day we parted from Golden Island, we met with the sloop commanded by Patton, from Jamaica. She could get nothing there because of the proclamations, of which she had procured a copy, not knowing we had received it before. Next night we sprung our main-topmast, yet got it mended next day. A night or two after we lost all our masts, except the main and mizen, by a squall of wind, and for want of hands to the sails. This was not all. The leaks of our ships, that were great before, increased to that degree that we were hardly able to keep her above water. Next day we saw the *Saint Andrew*, about two leagues distance. She could see our distressed condition, but came not near us. It was calm all day, and had she sent her boats, we had been able to recover most of our sails, rigging, and other useful things, which for want of this were utterly lost. In the afternoon we fired guns for her, upon which she came nearer, but lay by at half a league distance. Our captain, Mr Anderson, went on board Pennicook, and besought his help; but he utterly refused, only at the entreaty of some of the gentlemen on board he was prevailed upon to give an order for the sloop to attend our ship till she saw what should become of us. Next day the wind served, whereupon the *Saint Andrew* set sail, leaving

us in this miserable condition. The sloop continued by us all next night; but, notwithstanding her orders in writing, and Patton's repeated oaths to Captain Anderson that he would not leave us, they sailed away next day at fair daylight, after Abraham Londown had secretly conveyed himself and his baggage into the sloop's canoe, and so on board her.

"All this time we had only five or six seamen to a watch, and most of these none of the best neither; and there were above twenty landsmen, all the worse, who had enough to do by perpetual pumping to keep the ship above water. However, the few men we had went to work, and in about a week's time got up jury masts of such stuff as we had left; and then setting sail, we were not able to recover Jamaica. On July 28th we made the Bay of Mattances, upon Cuba, where Captain Forbes died. The 26th, our captain went in his pinnace into the bay; but instead of water, found a Spanish fort of twenty or twenty-four guns, and never saw it till under its command. Then, by an inadvertency, Mr Spence, our linguist, stepped on shore to some Spaniards, who handed him. After they had gotten him, they endeavoured to secure the boat by commanding it with their guns and small arms; but in case that would not do, by manning a periagua after her. Our men, perceiving their delays and preparations, took their opportunity to get away. They were shot at several times, and pursued by the periagua, but were so happy as to escape. In the meantime,

the ship escaped narrowly running ashore for want of hands.

"That evening we set sail from the Mattances, and after likewise running great hazard of shipwreck on the coast of Virginia, where, August the 7th, we struck several times.

"We arrived at Sandy-Hook, near New York, the 13th, and at New York the 14th of August last; under God, owing the safety of the ship, and our lives, to the care and industry of our commander, Captain John Anderson.

"When we were come to New York, *we were much concerned to find so universal an inclination, in all sorts of people, who seemed to regret our leaving the place more than we; and, by our friends, we then understood that some sloops and vessels were gone to Caledonia, and a great many more,* NOTWITHSTANDING ALL PROHIBITION, *were following after*, if the unhappy account of our unfortunate leaving the place had not stopped them.

"In our voyage from the colony to New York, we lost near 150 of about 250 persons put on board, most of them for want of looking after, and of means to recover them. In that condition we had no small loss and inconvenience by the sickness and death of Mr Hector Mackenzie, our chief chirurgeon. He died off Cape St Antoine, July the 12th, of a distemper wholly, or in a great measure, contracted by his unwearied pains and industry among the people on shore, as well as on board, for many weeks together, when there was hardly any other willing, if able, or at least capable of assisting them.

"The ship *Caledonia* was about ten days at New York before us, where, when I arrived, I was thought so very low, by my distempers and troubles of mind, that for some time my life was not expected. In the meanwhile, a transaction was made with Messrs Wenham and De Lancie, by Mr Samuel Veatch and Mr Thomas Drummond, in order to fit out a sloop to return to the colony, and supply the ship *Caledonia* with provisions for Scotland. My indisposition disabled from meddling. But Robert Drummond can give a larger account of that matter, as having been concerned in the whole affair with the said two councillors. About the 1st of September Captain Thomas Drummond was dispatched back to the colony, in a sloop, with arms, ammunition, provisions, working tools, and orders to see and re-settle the place, if the supplies from Scotland were come up.

"Before Captain T. Drummond went away, we received the company's letter of the 22d April, by way of New England, but had only flying reports, without any certainty, of what recruits were sailed from Scotland. Only they seemed all to conclude that some Scots' ships were passed by the Leeward Islands, which we supposed to be Captains Jamieson and Stark, after we had received yours of the 25th of June, the day before we sailed.

"Some days before I parted from New York, Mr

Samuel Veatch acquainted me that he designed to stay there this winter, and that, in the meantime, he would look after the effects put ashore to satisfy Messrs Wenham and De Lancie. By that means he would be in readiness to go back to the colony, when he should receive the company's orders. I would have spoken with him about this matter more at large, but his sudden going aboard the ship, then lying six leagues off, prevented me; nor did I see him till I came on board, when I found him determined to stay behind us.

"October 12, we set sail in the ship *Caledonia* from Sandy-Hook, near New York, and after a tempestuous stormy passage, although but little contrary winds, we made the west coast of Ireland, Saturday, November 11th, and by reason of the mists and currents, we were in great danger off the rocks of Ferney, November 13th, about ten at night. After that, the wind coming short and exceeding stormy, after no small danger we were obliged to come to an anchor at the northerly entrance of the sound of Isla; and there we rode it out in most violent storms till Monday, 20th November, when we got into the sound, and came to an anchor in a safe place and smooth water; under God, owing our safety and that of the ship to the great vigilancy and industry of our commander, Robert Drummond.

"Upon the ship's arrival in the sound, Captain Drummond immediately dispatched Captains William Murray and Lawrence Drummond express to

Edinburgh to acquaint the company with our arrival. Next morning, being Tuesday the 21st of November, in company with Captain John Campbell, I parted in a boat for the mainland, and from thence, by easy journeys and some stops by reason of indisposition, I arrived here in Edinburgh, Tuesday, December the 5th inst.—I am, Right Honourable, your most humble and most obedient servant,

"Wm. Paterson."

Deeply as other letters, written by Paterson at his return, prove him to have felt the slights he had received from the directors of the company, he did not refuse his assistance to the incompetent authorities of the colony in their difficulties. Accordingly he was soon associated with them, and his name appears to their subsequent acts. He had, early after arriving in Darien, lost his wife, whose interment is mentioned in a contemporary record to have been conducted with solemn honour.* In another list of the deceased settlers, published at the time in Edinburgh, the name of a *youth*—Paterson—is entered among the victims. But no positive notice of his being a son of the subject of this memoir having been met with, that simple entry does not warrant more than a surmise that such an addition to his troubles then occurred.

Testimonies have been gleaned from authentic manuscripts, to prove that those troubles, public and

* Analecta Scotica, 8vo, vol. i. p. 361. Edinburgh: T. G. Stevenson, 1837.

private, were met by William Paterson with unflinching fortitude.

George Moffat, supercargo of a ship which arrived in New York, in July 1699, after being at Darien, says, after having related many particulars which he learned from the colonists there—

"In all these discourses, they give Mr Paterson his due praise, for truly, by what I could learn, he hath been both diligent and true to the end. He has been as mightily concerned in this sad disaster, so that he looks now more like a skeleton than a man. He is now indisposed; God grant he may recover, for the loss of him will be greater than every one thinks. I have had frequent conversations with him since his arrival in the *Unicorn*."

So in a report from New York, in August 1699, to Mr Baillie Blackwood of Edinburgh, the writer, Mr Adam Cleghorn, after mentioning "the great divisions among the first councillors, some being too hot-headed, others noways trained to such great affairs," adds, "Mr William Paterson has this general applause, that he was concerned in this affair to the utmost degree of diligence, and was very uneasy with the misbehaviour of those young gentlemen."

One of his earliest letters extant was written from the colony, within fifteen weeks after his arrival, to a friend at Boston in New England, and there *printed*. It was republished in 1707 in the "State Tracts," of the reign of King William III., from an edition

of 1699, vol. iii., p. 548. The print was as follows:—

"An Abstract of a Letter from a Person of Eminence and Worth in Caledonia, to a Friend at Boston in New England.

"I have received your letter of the 26th of December last, and communicated it to the gentlemen of the council here, to whom your kind sentiments and readiness are very acceptable.

"Certainly the work here begun is the most ripened, digested, and best founded, as to privileges, place, time, and other like advantages, that was ever yet begun in any part of the trading world. We arrived upon this coast the 1st, and took possession the 3d of November. Our situation is about two leagues to the southward of *Golden Island* (by the Spaniards called *Guarda*), in one of the best and most defensible harbours, perhaps, in the world. The country is healthful to a wonder, insomuch that our own sick, that were many when we arrived, are now generally cured. The country is exceedingly fertile, and the weather temperate. The country where we are settled is dry, and rising ground, hilly but not high; and on the sides, and quite to the tops, three, four, or five feet good fat mould, not a rock or stone to be seen. We have but eight or nine leagues to a river, where boats may go into the South Sea. The natives, for fifty leagues on either side, are in entire friendship and correspondence with us; and if we will be at the pains, we can gain

those at the greatest distance; for our neighbouring Indians are willing to be the joyful messengers of our settlement, and good disposition to their countrymen. As to the innate riches of the country, upon the first *information*, I always believed it to be very great, but now find it goes beyond all that ever I thought or conceived in that matter.

"The Spaniards, as we can understand, are very much surprised and alarmed, and the more that it comes as a thunder-clap upon them, having had no notice of us until three days after our arrival, but we have written to the President of Panama, giving him account of our good and peaceable intentions, and to procure a good understanding and correspondence. If this is not condescended to, we are ready for what else he pleases. If merchants should once erect factories here, this place will soon become the best and surest mart in all America, both for inland and overland trade. We want here sloops and coasting vessels; for want of which, and by reason we have all hands at work in fortifying and fitting ourselves, which is now pretty well over, we have had but little trade as yet, and most of our goods are unsold. We are here 1100 men, and expect supplies every day. We have been exceeding unhappy in losing two ministers, who came with us from Scotland; and if New England could supply us in that, it would be a great and lasting obligation."

It may be admitted that the account here given of the *climate* of Darien was too favourable. In

other respects, the truth of this letter will not be disputed, and its good spirit is beyond praise.

The liberal principles upon which the Darien Colony was founded by the Scots, have been uniformly mentioned to Paterson's honour. Religious liberty was provided for in express terms; and a letter is preserved, which shews the practical way in which that religious liberty was understood by the writer, a minister of the Church of Scotland, who there recommends a *Roman Catholic* countryman to a friend in Darien, the Rev. Alex. Shields, one that, under common circumstances and at home, would probably have been among the most zealous opponents of the members of that dreaded communion.

"Letter from the Rev. R. Wyllie, to the Rev. Mr Alex. Shields, minister of the gospel, on board the *Rising Sun*, at Caledonia:*—

"Hamilton, 28th October, '99.

"Rev. and very Dear Brother,— . . . There comes with Captain Mackay, one Captain Hay, a gentleman who has a very fair character of a brave, skilful, and experienced sea officer. He is a papist. So far his birth and education have misled him, being of the family of Roslin, but no bigot; and otherwise he passes for a very honest man, and a true Scotsman. He hath been prevailed with by the Duke of Hamilton, the Marquis of Tweeddale, and others, to offer his services upon this important

* From the Wodrow MSS., vol. xxx. 4to, No. 145, Advocates' Library.

occasion; and he is said to be a person very fit for managing a bold and hazardous enterprise. But withal, I thought it my duty to acquaint you, that I understand he hath no commission from the company here. You are at full liberty to make what use of him, according to his quality and station, you think fit. . . .

"My heart bleeds for the poor Indians that have been so kind and loving to our countrymen. I ever thought it the most valued prospect in this undertaking, that the Church of Scotland might have been instrumental in enlightening them, and bringing them into the way of salvation.

"If the colony be wholly abandoned, as I doubt not but your company have orders for vigorous action (and I pray God may direct and give success), so I cannot but think it advisable to send some of your number, well chosen and hardy, but especially sober and honest men, to remain with the natives amongst the woods, and upon the territory, for a season, till fresh recruits come, and till it appear how God will dispose of this affair; and thus both to keep the natives in heart, and to keep a kind of possession of that land. By all unquestionable right and just claim, it doth belong to the Crown and kingdom, and Church of Scotland, and can never be reckoned so deserted as to fall to the share of any other, so long as this nation is still a nation and in a course of active endeavours to maintain their right. R. Wyllie."

The last topic here noticed, namely, consideration for the native Indians, was no less properly dealt with by Paterson and his friends, so far as the recognition of their rights went. Nothing was neglected by the colonists, and some specific provisions were made in the earliest laws of the colony for their just treatment; and the stay of the Scots in the country was too brief to permit any estimate, how far what was well done would have been duly developed. On this head a German writer, misled by the refuted libels of the time, has erroneously asserted, that Paterson's plan was to treat the Indians harshly, and as an inferior race—an assertion like that of his ever being a buccaneer, at variance with his character and all the evidence of the case. The justly eulogised conduct of his contemporary Penn, towards the Indians, was not more pure than Paterson's, whilst the precautions of the illustrious Quaker in their defence were less effectual than Paterson's promised to be.

Still less opportunity was allowed to the Scots, on this first settlement of their colony, to set out a practical system of trade beyond the profession of the general principle of its freedom. But such a system was soon afterwards well explained by Paterson, when, as will be seen in a future chapter, in less than three years, from being determinedly hostile to the undertaking, King William became its friend in consequence of a real diplomatic revolution in Europe.

CHAPTER XII.

The ruin of the Darien Colony—Combination of circumstances against it—Paterson's admirable conduct in Scotland at his return—His new plan for the colony.

THE ruin of the Scottish Colony in Darien was inevitable. To the wretched management of the first expedition by the seven councillors, there followed the hostility—the negative hostility—of King William, through his governors in the West India Islands and in North America, who issued proclamations peremptorily prohibiting all intercourse between the English colonists and the Scottish emigrants. It has been well observed that the very naked savages at Darien were more humane to these strangers than their Christian countrymen who refused them food.

The ministers gave to their opposition to the Scottish enterprise, a personal malignity quite unworthy of themselves, and highly mischievous, by its influence upon the temper of the Scots. The outrage called forth terrible vengeance. The inhabitants of Edinburgh, maddened by national insults, at once hanged up an English captain, poor Green, really guiltless of a crime. He was the victim of a

false application of *Lynch* law in the heart of a civilised people, where the government, however well disposed to correct its own error, could not stay the crying injustice. The following extract from a libel of the day, lavishly paid for by the English ministers, is a specimen of the literary alliances of Paterson's opponents in Whitehall.

The extract is taken from "A Defence of the Scots Abdicating Darien; including an Answer to the Defence of the Scots' Settlement there."

It was printed in the year 1700. In the dedication to the directors of the company, the author says:—"If you had listened to the wholesome advice of MR DOUGLAS, an eminent and experienced man in India, who offered himself for your pilot, and his substance for your security, which was more than three best shares in your capital stock; and had not been bewitched to the golden dream of Paterson, the pedlar, tub-preacher, and, at last, whimsical projector, you might ere now have had a good colony in India without disturbance. What Mr Douglas advised has been stated in his own words."

Hodges afterwards enters upon an elaborate account of Paterson's life, in which true details are curiously dashed with scandal.

"William Paterson," he says, "the author of this project, and penman, as it is shrewdly guessed, of the Octroy,* came from Scotland, in his younger years,

* The Act of the Scottish Parliament of 1695.

with a pack on his back, whereof the print may be seen, if he be alive. Having travelled this country some years, he seated himself under the wing of a warm widow, near Oxford, where, finding that preaching was an easier trade than his own, he soon found himself gifted with an Anadab's spirit. Prophets being generally despised at home, he went on the *Propaganda fide* account to the West Indies; and was one of those who settled the island of Providence a second time. But, meeting some hardships and ill luck there, to wit, a governor being imposed on them by the King of England, which his conscience could not admit of, the prospects of their constitution were altered, and they could no longer have a free port, and sanctuary for Buccaneers, pirates, and such vermin, who had much need of being reclaimed into the Church. This disappointment obliged *Predicant Paterson* to shake the dust from off his shoes, and leave that island under his anathema. He returned to Europe some twelve years ago, with his head full of projects, having all the achievements of Sir Henry Morgan, Batt. Sharp, and the Buccaneers, in his budget. He endeavoured to make a market of his wares in Holland and Hamburg, but without any success. He went afterwards to Berlin, opened his pack there, and had almost caught the Elector of Brandenburg in his noose, but that miscarried too. He likewise imparted the same project to Mr Secretary Blathwait, but still with the same success.

"Meeting with so many discouragements in those several countries, he let his project sleep for some years, and pitched his tent at London, where matters are never wanting to exercise plodding heads. His former wife being at rest as well as his project, he wanted a help that was meet for him; and, not being very nice, he went no further than the red-faced coffee-woman, a widow in Birchin Lane, whom he afterwards carried to the Isthmus of Darien; and, at her first landing, thrust her about seven feet under ground, to make the possession, *de facto*, of New Caledonia more authentic.

"While he sojourned in London, he found employment for his head; and, like a true quack, boggled at nothing that offered itself to his thoughts. He was concerned in the Hampstead Waters, and had an original hand in the project of the Bank of England; but being obliged, *so he says himself*, to communicate his thoughts to some eminent men, who were more able to carry it on, they bubbled him out of his premium and the glory of the project. The man thinking himself ill-used by the managers of the Bank of England, studied how to be up with them; and, in opposition to it, he applies himself to the project of the Orphan Bank, where he was afterwards some time a director; but their missing of the wished-for aim by reason of the clipped money, and he meeting with some disgrace there too, was resolved at once to be even with the body of the nation.

"Thus discontented, too, he roused up his Darien

genius; and having vamped it up with some new light he had procured by conversing with Dampier, he marches bag and baggage to the ancient kingdom, where it met with such encouragement at first sight, that Johnston's, or if you will, Tweeddale's Act, was *viis et modis* conceived and born in a trice. At this time, and for some months afterwards, Paterson had more respect paid him than His Majesty's High Commissioner; and happy was he then that had the favour of a quarter of an hour's conversation with this blessed man. When he appeared in public, he appeared with a head so full of business and care, as if he had Atlas' burden on his back. If a man had a fancy to be reputed wise, the first step he took to make way was to mimic Paterson's phiz. Nay, some persons had such a conceit of the miracles he could perform, 'that they began to talk of an engine, to give the island a half-turn round, and send the Orkneys where the isles of Scilly stand.'"

Then follows a vague account of the proceedings of Paterson and his colleagues in London and Holland, with confused details respecting the lost remittance, the subject of the report of Principal Dunlop and Mr Blackwood. The prudent silence of the directors upon that subject has the misinterpretation usually made on such occasions by ill-wishers. "The company," says Mr Hodges, "bit their lips, but endeavoured to keep the business back for some time, that the world might not perceive how they were deservedly bubbled."

The same account asserts that Paterson in Holland betrayed the secret design of the Scottish Company to be an evasion of their English duties upon merchandise imported from India, and so to reduce the price 17 per cent. lower than the English merchant could sell it for. "Being a 'water-bibber' he was surprised by taking spirits upon arriving in Holland, and in that state betrayed his secret." Such is the imputation of this libeller, the truth being, that the jealousy of the Dutch East India Company stopped the subscriptions to the Scottish Fund in Holland, as in London the jealousy of the English East India Company, and of others, had led to the impeachment of the parties to the Scottish Company by the House of Commons. The like influences prompted an English consul in Hamburg, at the same time, peremptorily to require the senate, much against its will, to prohibit the continuance of the subscriptions, eagerly taken by the intelligent citizens, to whom Paterson was well known. In the official despatches from Hamburg, preserved in the State Paper Office, there are passages proving with ludicrous details how an ill-advised government can thwart the best designs, and how readily its agents throw themselves into a bad cause, to please the authorities at home.

It has been asserted that the Spaniards were indifferent to the settlement of the Scottish *heretics* in Darien. A greater mistake could not be made. If the conduct of the English could not be excused

upon any ground for joining as it did in this case of monstrous persecution, the excuse might lie in the fact, that the hierarchy of Spain took the most anxious view of this heretical invasion of so valuable a portion of the patrimony of St Peter. When intelligence of the events in Central America reached Cadiz, an appeal was instantly sent to Rome, and the Pope's interposition was immediate and decisive. A very large amount of the Church revenue in Spanish America was at once made over to the King of Spain in perpetuity, to indemnify the royal treasury for the expenses of proper efforts to meet the evil. What was passing in Darien was held in Madrid to be indications of a crisis in the fate of the Spanish monarchy to be averted at any cost. All this was faithfully conveyed to King William by his minister in that capital, Dr Aglionby, and by the Dutch minister, who was devoted to his Majesty, the Jewish merchant, Schönenberg.*

The designs of the French upon Darien were laid before the Darien Company by Paterson himself in the following letter of 1699, in which he shews how sagaciously he penetrated the designs of Louis XIV. upon Spanish America, when King William was giving way to a fatal reliance upon his formidable rival's supposed good faith, and when under that delusion his Majesty was promoting the crafty policy of

* The despatches of these two envoys, preserved in the State Paper Office, place the whole subject in full detail and in the clearest light.

the French government by himself eagerly assisting to ruin the Scots in Darien.

"WILLIAM PATERSON TO THE COURT OF DIRECTORS.

"MY LORDS AND GENTLEMEN,—What I have now to say concerns the designs of the French upon Darien (as it is vulgarly called). Before we arrived upon that coast, Corbet* of the Samblas had been at Petit-Guavis, and from thence went with Mons. Ponti to the taking of Carthagena. After that Mons. Du-Cass (who perhaps is the most knowing and every way best accomplished governor that any prince or state in Europe has now in the Indies) well knowing of what consequence a correspondence with these natives might be to the future designs of the French in America, sent Corbet home with great presents, and a commission to be governor of the Indians of the Samblas. Corbet was then accompanied with several of the French nation, and some Indians whom they had trained up to some smattering of the French language. This commision from Du-Cass ordered all the subjects of his Christian Majesty, and such as should hereafter be reduced to his obedience, to acknowledge Corbet as governor of the Samblas and territories thereon depending. Some months after this Du-Cass sent to Corbet the French king's confirmation of this commission. By this commission, the confirmation thereof, and the letter wrote to Corbet by Du-Cass on that occasion, it

* A Darien Indian chief.

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plainly appears that the French then designed to *open their way to the South Sea* by Conception River, as then knowing of no better nor more commodious way. But after the peace was concluded, Mons. Du-Cass wrote a second letter to Corbet, telling that the king had made peace with Spain, and desiring, therefore, that he and the people under his command would do no more damage to or carry on any further designs against the Spaniards. But we coming to settle at Port Caledonia, about thirty-five or thirty-six leagues to the eastward of the Samblas, and Captain Duvivier Thomas coming into our port to stop the leaks of his ship, the *Maurepas*, by converse with the natives, who then from several parts were in great numbers in your colony, found the design of such weight as fit to be represented to the King of France, his sovereign lord; and to make it look the fairer, and for the greater show and ostentation, designed to carry the Indians of Corbet's party, whose borrowed names were Pedro and Nicola, to France with him; and though both of them were so far from being supreme leaders, that they had not any subordinate office that I know of, yet they were in Europe to be given out not only for chief leaders, but for the supreme princes of that country, and under that pretence to complain in France of our settlement. But this design was not only rendered abortive, but fully discovered by the shipwreck of the said ship the *Maurepas*. Besides which, it was also discovered that at the time of her

casting away, above fifty letters to the king, dauphin, and great ministers of France, from the most considerable persons in the provinces of Carthagena, Panama, Peru, and other places were on board. The contents whereof, besides particulars, were in general to signify the great inclination there is in the Spanish Indies to declare for the dauphin upon the first news they shall have of the King of Spain's death. After this, Corbet came to our colony, bringing his said commission, the confirmation, and two before mentioned letters along with him, when I had the opportunity to read them, and upon this and other occasions of conversing with him and others of his Indians, *I understood more of the designs of the French upon, and of their intelligence in, the Spanish Indies than ever I had so much as heard surmised in Europe*, and in particular that the designs the French would otherwise have on foot in America are altogether suspended, only upon the account of the expectations they have of the dauphin's succession to the crown of Spain, and so by consequence not only to get a part but the whole Indies.

"A little before we left the colony, there was a Spanish letter found in a glass bottle, in the sloop that was brought from the Samblas by Captain Pilkington. The letter was sent from the governor of Portobello to a Frenchman, who, by the contents of the letter, it seems, then commanded this sloop, and was sent with her from the governor of Carthagena to the Indians of the Samblas, to denounce to them

that if they gave any more assistance, or continued to correspond with your colony, that they should not only have the Spaniards but also the French for their enemies; but that if they would heartily join to root out the Scots they should be well rewarded for their pains. The same letter also says that the Governor Du-Cass had promised to join the Spanish preparations against your colony with four frigates; nay, rather than fail, Mons. Du-Cass himself would come himself in person to help to root out these Scots (as the letter terms them). This letter from the governor of Portobello was wrote some time in March, and as it thereby appears, that from Mons. Du-Cass some time in February last; but my indisposition hindered me to get a copy or to take the dates at the time it was found, nor could I recover it since. I suppose it may be among the Council's papers; but this much I remember of its remarkable contents.

"To the Right Honourable the
Court of Directors, &c.

"This is a true copy of the original under Mr Paterson's hand, which is now in my custody.

"Rod. Mackenzie."

The successive reinforcements for which Paterson in vain urged the appointed leaders of the first expedition to wait, arrived, to make bold and even some decisive efforts against the Spaniards; but they were overpowered by numbers, and the settlement was soon surrendered by the Scots.

The events in Darien after 1699, when Paterson so reluctantly came away, form no part of his story. But some of his letters, addressed to leading individuals among the later settlers, are too remarkable to be passed by without special notice. They are as follows:—

"Mr Paterson to Mr Patrick Macdougall, then bound for Caledonia.

"Edinburgh, *February* 6, 1700.

"Mr Pat. Macdougall,—I have herein inclosed the letters I intend for the colony at this time, being *three* in number, which, pray, be careful to deliver; and when you come into the colony, be sure you keep company with, and take the advice of, the best men. You know to what a pass we have been brought by a sort of people that we ought at first, but especially now we have been bitten, to avoid. I know you have the happiness to have honest and worthy parents; and you have also good principles, both of religion and morality. Pray let your conversation become them. Carry yourself carefully and prudently in the station you are in; and the honourable company both have, and will take care, those boisterous mariners shall no more domineer over us. Pray, then, let us not so much as seem to do, or incline to such things as we have condemned in them. I recommend you to Mr Shields and Mr Thomas Drummond. I hope they are two of the best men in the government of the colony. The others I have not the honour so well to know.

"In short, God grant you to behave as to be an honour to your worthy father, and so as to gain reputation with the company, your constituents, and consequence with all honest men. Thus you will answer the expectations and wishes of your friends, of which number I reckon myself, or should not use this freedom. So I pray God Almighty to grant you a prosperous voyage, and that you may find our friends in the colony well.—I am your friend and servant,

"Wm. Paterson."

"Mr Paterson to the Rev. Alexander Shields, Minister of the Gospel at Caledonia.

"Edinburgh, *February* 6, 1700.

"Honoured Sir,—I trust in the Almighty God, that this will find you in good health and prospects at the company's colony; and all this I know, both from reason and experience, that this matter cannot succeed, unless it be wonderfully supported in its beginnings from hence, yet I am glad a person of your worth, principles, and constancy, is now at the head of it; and God Almighty grant you some good seconds; for it was for want of such that our equipage had not better success than it had. Mr Thomas James I had a great deal of hope in; but it pleased God to take him away. In short, our tarpaulin councillors, and raw heads, and undigested thoughts, ruined us. The difficulties I had met with in Scotland were turned into brow-beatings at Caledonia. This

destroyed my mind; broke and discouraged my thoughts. Yet, had my advice been taken time enough, we had not left them as, nor when we did. There was not one of the old councillors fit for government; and things were gone too far before the new took place. Had our young and mushroom politicians at the very first, and as long as they had opportunity, given any price for provisions, rather than part with them, they needed not have wanted at last; nor wanted sloops to go their errands; nor good seasoned men from the Indies to have helped us in our need. Witness their parting with Captain Moon at Crab Island; their difference with Mr Wilmot and Mr Moon about trifles, and humouring their resentments more than the interests and prosperity of the colony; their rash sending out of Captain Pinkerton; their suffering Maskale and Robus to go away with their provisions when they ought to have had them; their unkindness to all, and horrid injustice to some strangers. Their clubbing, cabals, and double-dealings were such, that the old council never thought fit to allow the natural right of protesting, or entering one's dissent in the council.

"What I have to recommend is to be kind, just, and obliging to all men; and especially to strangers. Spare nothing to oblige them; and, if possible, let no provisions or necessaries go away unbought. For the colony not only loses these, but it proves a bad preparation to others, as we have found to our

sorrow. Have a care of young mushroom politicians —involved and intriguing heads—that club cabals, and pretend one thing, but mean another. They are like novices in the university, whose narrow understandings are confounded with their raw, rude, and mistaken conceptions of things. Have a care of such as have not a due respect for religion, morality, or, perhaps, good manners. The company has dearly suffered by employing such a set already; and if they are not careful in this matter, a little leaven will endanger the whole lump. It would amaze any man to think with what impudences upstart pretenders will venture to be determined in things of the greatest moment; and, generally, the less they understand, the less they will listen to advice. Yet, on the other hand, you will find these brow-beating hectors both want courage and presence of mind, in cases of real difficulty—which God preserve you from!

"Let every one speak his mind freely, and enter his protest and defence when he pleases. Bear with one another's weaknesses and infirmities.

"Above all things, endeavour to cultivate reverence and respect for God and His religion; for in this there is great gain, not only in eternity, but even in time.

"The company here are very hearty, and omit nothing that is possible for them to do in supplying you. *I am not without hope of returning to the colony;* but shall endeavour, in the first place, to get the needful reinforcements and supplies from Europe, upon a better foot. We meet still with discouragements from England. *Yet, I am not without hope there may be a good understanding between the nations in this matter.* But the present temper of some in England is like to make this a work of more time than I could wish. Indisposition by a cold, and feverish humour, disable me from writing this as I ought, or further enlarging. So, after service to all friends,—I am, Sir, your ready and obedient servant,

"WILLIAM PATERSON."

"*P.S.*—Pray present my service to Captain Thomas Drummond, to whom I have also wrote, and recommended him to you; and in whose industry, courage, and faithfulness I have had experience. Pray have a care of allowing any that have any subordinate office to be of the council, especially commanders, or pretenders at sea. That has ruined us. As to any other that may be sent from hence to you, I shall take what care I can. And, I doubt not, but my care shall succeed; for the company are sufficiently certified of what men should have been, ought to—" *

"EDINBURGH, *February* 6, 1700.

"DEAR SIR,—God grant this may find you with the *Rising Sun* and other ships in the company's colony. Your industry, your constancy, and your integrity, ought, and shall, I doubt not, lay lasting obligations

* "The few remaining words on the edge of the paper are illegible"—not in the Bannatyne Club edition of these letters.

upon all true patriots; and besides that, the great kindness and value you have, in the hardest times and circumstances, had for me, lays me also under those that are particular. I have not forborne to do you justice in all, and especially in that your last worthy offer and hazard of yourself from New York, when you left me much indisposed; but, thanks be to God, I am wonderfully recovered, only a great cold and feverish humour oppress me at present; but I hope it will be soon over. The company, you may be sure, are ill satisfied with our leaving the colony, and all those motes of councillors, who had not foresight enough to provide for the danger, before it came upon them. Pray take warning by what has happened, and provide against a time of need; and whatever befals, do what become men of prudence, forecast, and constancy. The company are exceedingly hearty and sensible, and do seem to make amends for any former neglect or defect, which God grant may be a pledge of their future success. Do you what you can on your part; and let not anything belonging to the public, or particular men, be spared to support the colony, until you shall be powerfully supplied and reinforced. I shall do what I can here, and hope it shall in the end have the desired success. Pray do what you can to draw men to you, and keep them with you. I hope in some time all our opposition from England will fall to the ground, that their eyes shall be opened to see their interest herein. But, in the meantime, we can expect no good from her as a

government. I hope this nation will be more unanimous in this, *than in any* other* thing in some ages; and that the weight of that will help to surmount other difficulties.

"I have wrote to Mr Alexander Shields. Pray converse with him, and hear his advice, for you will find him a man of courage and constancy, and who does not want experience of the world. I hope much from him and you. For the rest, I am not well acquainted with them. Your keeping possession until you can be powerfully supplied from hence is of vast consequence. God Almighty enable you to do it for His own glory, and the good of this poor despised kingdom. Use all manner of means to send us intelligence; and the company, I hope, will do the best they can on their part. There happened a dreadful fire on Saturday the 3d instant, about ten at night. It has burned a great many houses between the High Street and the Cowgate, and the whole Parliament Close, the Parliament House and some adjacent houses only excepted. This is also a great blow, and the secret hand of God. This, with our misfortunes on leaving the colony, and the burning of Jamieson's ship in the colony, has been no small trouble to me. Yet I comfort myself, hoping that, at last, Almighty God will make us glad according to the days wherein He hath afflicted us; and in all my troubles it is no small satisfaction to have lived to have given the company and the

* An obscure passage in the MS.

world unquestionable proof that I have not had any selfish nor sinister designs in promoting this work, and that unfeigned integrity has been at the bottom of it. How and what I have suffered in the prosecution hereof God only knows; and God Almighty lay it no further to their charge who have been the cause. I have always prayed for this, but must needs confess could never, since my unkind usage, find the freedom of spirit I do now; and I must needs say that my concern of spirit is such, that I could not only join with those who have done me prejudice, although it had been willingly, but even with the greatest enemies I am capable of having, to save my country and secure this company. But it is far from this; for I am persuaded that what has been done to my prejudice, has been done ignorantly, *as appears by my worthy and kind reception after so many misfortunes.*

"Pray let me hear from you by all occasions, and I shall, on my part, endeavour it to you.

"One thing I had forgot, which relates to the weekly precedency. I think it ridiculous nonsense. It was the invention of mean spirits, raw heads, and jealous and presumptuous fools, that had no virtue of their own and not a little presumption, which made them so unwilling to believe it in other people. If my advice may therefore be taken, make a monthly president until the company shall from hence take order in the matter. This will make your proceedings more certain, steady, and honourable. And

pray let no man be in the council who has any inferior station. You know of this has ruined us.

"So, being weary, I am your real friend and humble servant. Pardon errors.

"WILLIAM PATERSON."

"To Mr Thomas Drummond, one of the Council at Caledonia."

Thus, in the place of reproaching others for the suffering unworthily inflicted on himself, and a not unnatural triumph at the ill results of proceedings in defiance of his advice, William Paterson is here seen earnest only to encourage better efforts, and so retrieve the fortunes of the enterprise, in whosoever hands it might be placed.

He did much more. In Edinburgh he was among the foremost to calm the public irritation at the treatment received from the English government, and to devise suitable means of recovering the company's losses. His plan for reviving the Darien settlement may be read at length in Sir John Dalrymple's Memoirs, and therefore its republication here would be superfluous. One striking feature in it, however, is proper to be noticed. It insists much upon the joint benefits England and Scotland may derive from a colony founded upon a capital of *two* millions sterling, "one-fifth whereof was to belong to Scotland and *four-fifths* to England;" so unfounded is the imputation that Paterson took a mere *Scottish* view of this matter.

It will be more interesting to enlarge upon the full

development of Paterson's views upon settlements in Central America, after Louis XIV. had thrown off the mask, upon becoming master of Spain and the Indies; and after King William, at the end of 1701, took that remarkable resolution to resist the ambitious designs of Louis XIV. at any cost—when, in fact, a revolution occurred in the affairs of Europe —and King William resolved to carry the contest into the heart of Spanish America. Paterson was then in his Majesty's confidence; and his lofty views were strongly approved by the king. Documents hitherto quite neglected by historians demonstrate, beyond the possibility of doubt, that Paterson had a large share in measures attending the change.

CHAPTER XIII.

1700–1.

Paterson's "Proposals and Reasons for constituting a Council of Trade," attributed by mistake, from 1761 to the present time, to the pen of John Law.

Our political literature, rich as it is beyond that of any other people, offers no parallel to Paterson's next work, the "Proposals for a Council of Trade," whether it be considered in reference to the importance and variety of its objects, or to the opportuneness of its appearance. Its execution, also, as a book, is far above mediocrity, and its success in leading to political measures called for a very different literary result than that of being first forgotten, and then appropriated to the pen of a contemporary, who actually made no pretensions to its authorship, and certainly did not possess the high qualities necessary to its production.

The annexed title-page is a *fac-simile* of that of this volume, written under circumstances of peculiar interest; and the only difficulty attending the question of his authorship of the book arises from the fact of Professor Dugald Stewart, among other eminent

persons, having, for a century, attributed it to John Law of Lauriston. Paterson had recovered public confidence, notwithstanding the utter failure of the enterprise he had planned. The honest, impartial people all along did him justice; and so encouraged a return to his favourite occupation of "improving" his country and his countrymen. It was at home that he now sought to improve them; not that he abandoned his great American colony, which was promised a most brilliant revival; but he turned from it awhile to home undertakings, because of their more immediate promise. The social elements he now became engaged upon, differed also essentially from the two former subjects of his speculations in 1690 and 1694—namely, his West India speculations, in concert with Sir Dalby Thomas, and his banking projects afterwards The Scottish people were less refined, and far less wealthy, than the merchants of London, and even than colonists. Therefore, he sought to allure them to industry by the strongest motive, the certain advance of their fortunes. For this purpose, he depends upon the natural dispositions of mankind, and upon the judiciously cultivated resources of Scotland. Wise laws and institutions, he insists, would rapidly *improve* the character and condition of the people of Scotland; and the laws and institutions he specifically recommends are the more worthy of notice, inasmuch as Scotland has prospered pretty much as his scheme of social improvement has been followed up.

That Paterson wrote the book embodying these views will be proved by a chain of evidence seldom found in cases of disputed authorship or anonymous books; and it is not improbable that some of the links of the chain, quite new, it is thought, to observation, may help the solution of other enigmas, still met with in our political literature; such, for example, as the authorship of the "Letters of Junius."

In the year 1700, a civil war between the sister kingdoms was most threatening. The Scottish people had been grossly outraged in the affairs of Darien. Wronged in their fair pretensions and interests, wounded in every sentiment dear to a proud and warlike nation, they needed but an able leader, or some untoward incident in the strife, to break out into furious rebellion against the offending king, and into a war against their neighbours and fellow-subjects, the English, who had exhibited little consideration for them. The outbreak was so near at hand, that special orders were issued from London to put the six northern counties at once into a state of defence. The danger was the greater that James II.'s party, in Scotland, was eager to rise; and it had very powerful friends throughout England, whilst Ireland was still, as it were, a smothered flame. As yet, Louis XIV. had suffered no portion of the signal chastisement awaiting France from the genius of Marlborough; and the wily monarch having succeeded in deceiving King William, by the mischievous Partition Treaties, had crowned his

diplomatic life by the wonderful triumph of a proud, unscrupulous policy, in placing his grandson and the Bourbons upon the throne of Spain and the Indies.

The crisis was well understood in Scotland; and called from William Paterson, amongst others, a new and powerful effort to avert the coming mischief. That effort produced important results, of which the first was to lead the thinking people of Scotland to the consideration of measures to relieve their disasters, instead of giving way to feelings of vengeance against those who had wronged them.

These measures aimed at making a provision for the losses in Darien, and for improving the condition of the Scottish people, as well as for advancing men's fortunes, by industry at home, and extending foreign trade. They were described elaborately in "*The Proposals and Reasons for Constituting a Council of Trade.*" The plan seems to be first mentioned in a letter of the 3d of September 1700, from Mr John Stewart to the king's confidential secretary, the Rev. William Carstares. In the preceding month of August, the Duke of Queensberry, then High Commissioner in Scotland, stated that Paterson had succeeded in moderating the anger of the Scots respecting Darien, and in disposing them "to concert such things as they should agree upon and were proper to demand in Parliament." His Grace adds: "Mr Paterson is against moving anything in this session about Caledonia (Darien); and

tells me he thinks he has gained some considerable men to his opinion. He has no by-end; and loves this government in the Church and State." *

Mr Stewart continued the subject in the following letters:—

In a letter of the 3rd Sept. 1700, headed "*A new project on foot for trade,*" after discussing the good prospects of tranquillity on the Darien discontents, he says—"The hearts of all good countrymen (patriots) are bent upon an union with England. . . . They have projectors now at work making plans and schemes of trade. I have seen the construction of some. The design is a national trade, so that by it all Scotland will become one entire company of merchants. It proposes a fund of credit by which in two years to raise above £300,000 sterling. With this stock they are—first, to trade to both the Indies, and settle colonies on the terms of the Act establishing their company; second, to raise manufactories throughout all the kingdom; third, to pursue their fishery to greater profit in all the markets of Europe than any other fishing company in Christendom can do; fourth, to employ all the poor in the nation, so that in two years there shall not be one beggar seen in all the kingdom, and that without any act of slavery; fifth, to pay back to any of the subscribers to the African stock his money, if demanded, so that nobody can complain of any loss that way.

* Carstares' State Papers, p. 631.

"The powers and Act of Parliament they are to demand for doing this mighty work are too long to write. Adieu."*

A second letter of the 14th Sept. is as follows, being headed—

"*Paterson's Scheme of Trade.*

"I know not what Thom. Dean's opinion is of the project I have writ; but I find Mr Francis Grant has as little hope that it will take as I have. Mr Paterson is very tenacious and stiff, and indeed he has a good genius. With much ado I have broke him as to his opinion of demanding the tenth boll. I find him extremely straitened how to do without it, for this branch of trading in grain and corn is indeed a mighty project. That which he says he must demand in place of it I am afraid will never be granted, so there is little hope of the whole. It is eight months' cess for twenty years, which he pretends to prove to the Parliament, is no more burden to the country than what they must bear. However, if this project do not go on, even suppose they paid no cess at all for this season, he will prove that the maintenance of the poor costs this nation yearly four months' cess, which, being a dead weight, not only loses itself in specie, but its value for want of improvement, which is the double. So this project, employing all the poor, does exactly balance the eight months' cess.

* Carstares, p. 633.

"These notions are very metaphysical and thin, and though I am fool enough to be persuaded that they are not only true but practicable, yet I am afraid he will find it no easy matter to persuade the Parliament to give eight months' cess for twenty years, and at the same time persuade them they pay no more than if they gave no cess at all.

"Then, as to his Council of Trade, I know not how it is safe for the king to constitute such an office or jurisdiction. It is true twelve angels might be well enough trusted with powers that are absolutely necessary for them to have, but they are too much for men. While they act in concert with the African Company—and it is impossible they can have different interests—they are too powerful even for the king. They are in a manner a committee of Parliament constantly sitting, and will be able to determine any Parliament ever shall be. They have all the strength and treasure of the kingdom in their hands. In short, nothing but time and experience can tell what the consequences of such a constitution may be, so I have no manner of hope that the project will take. But I still think it fit to encourage the projector, who, indeed, has a prodigious genius and a vast extended thought, to go on—*Valeat quantum valere potest.* It is possible the wisdom of Parliament may cull out some things of use to the country, and a means to accommodate matters betwixt the king and the people."*

* Carstares, p. 645.

A few days later, 21st Sept., Mr Stewart writes again "of Paterson's projects:"—"Since my last of the 14th I have seen Mr Paterson's projects *in mundis*, which is nothing like what I wrote to you of in mine of the 7th. I know not what alterations he may yet make in it, for I cannot believe the Commissioner will let it be published as it now is, because, to confess the truth, it is far from safe for the king to establish that Council of Trade; and, though he should do so, I think the Parliament will never grant the funds he demands."*

At the same date the Duke of Queensberry reported, "That Mr Paterson, the first person that brought the people of Scotland into the project of Caledonia, was writing such things as it was hoped might create some temper (of moderation) among them. He has promised," adds his Grace, "to shew these writings to me before they appeared to any other person."†

In this abridgment of the book in question, besides the substance in a summary way, certain striking passages are given in full in the writer's own words.

The scheme of the Council of Trade is introduced by an essay thoroughly *Patersonian*, in its elevation and range of thought, and in its force of style. It is deeply imbued with the spirit of other writings of his, and often expressed in their language.

"As trade," he says, "generally understood, hath

* Carstares, p. 655. † Ib. p. 584.

always been of great weight to governments and nations, so we may venture to affirm that, within the last two ages, it hath made greater alterations in these places of the world than the sword, since the importations of gold and silver have, in that time, been capable of advancing the price of the labour and industry of the trading countries in Christendom, and, consequently, of all things produced thereby, to at least eight times what they were before the year 1500. So that, although the denomination be continued, yet the eightpence of every nation in Europe is virtually and really reduced to one, in so far as not recruited by fresh supplies, at least of seven times, from those Indian mines.

"By this negative, or comparative kind of destruction, it is that we see the northern and several other nations of Christendom wasted and consumed, in proportion to their distance from, or want of access to, this fountainhead—some whereof having suffered more by this mere attraction of gold and silver, within the last two hundred years, than by all the weight and impression of iron in these and many ages before.

"But, what is still worse, this consuming evil is so far from having near or quite spent itself, as some have weakly imagined, that *it is still capable of making not only the like, but much greater alterations in the world than hitherto. Of this, if due and speedy care be not taken, we of these nations may, to our over great*

cost and too dear-bought conviction, happen to have a demonstration in a very little time: so that princes and states are not now, as formerly, only obliged to promote trade and industry for their advantage, but even in their defence—not only for their benefit, but also of necessity.

"This nation hath felt more than its share of the effects of this negative, or comparative kind of destruction; but especially since the removal of the seat of government in 1603. For so far as we can at present learn, instead of increasing in proportion to some of its neighbours, although the denomination may be somewhat advanced, it hath since that time really lost above a third part of its people, and no less than sixteen in thirty of its other value about a hundred years ago—the annual medium whereof may have been above £150,000 sterling of the present denomination, and above 3000 people yearly—a great part of which dead loss hath been drawn to, and centred in England, as the seat of our government.

"Into this condition hath this nation been brought by the loose and irregular tie of the union of the crowns: a state wherein we are not considered subjects, allies, friends, or enemies, but all of them, only when, where, how, and how long our taskmasters please. To this we have been brought by that *ignis fatuus*, the splendour of a court, by the infatuation whereof the last generation, like intoxicated fishes, and birds in a maze, were not only brought to be sick, but even to be in love with their disease.

"But however they have, or we may be still taken with it, this is the distemper whereof our late treatments are so far from being causes in themselves, that they were only effects and symptoms of it. And those violent symptoms, how uneasy soever to the patient for a time, yet have had this of advantage above others, that they have in some measure brought this nation to a sense of its disease.

"And, considering the temper of this people, it must needs be confessed to be truly strange, that all the disadvantages they have lain under, and the disrespectful usage they have met with for near an age together, should never be able to bring them to any tolerable sense of their condition, till now, at last, their taskmasters want very much to exceed those of Pharaoh. Although they would not allow the Israelites straw to make their bricks, yet do we ever hear they prohibited their gathering of stubble?

"It is hoped this extremity will produce another, by proving the happy occasion of convincing them, as well as us, of the injustice of our treatment—how prejudicial it hath been, not only to the one, but to both kingdoms—and *consequently produce such a future friendship, as may be capable of regaining in the next age what has been lost by the misunderstandings of this.*

"In the meantime, the following proposals, or scheme for the future ordering and regulating the home and foreign trade, and for refunding our Indian and African Company, is offered; that thereby

this kingdom, upon its own fund and bottom, may be put in a hopeful way of regaining its losses by the union of the crowns, or at least of bearing somewhat better up against these two consuming evils, the attractions of a court, if not in a foreign, at least in another country, and that of the Indian mines.

"Herein it has thus been carefully endeavoured to offer nothing that had not first been seriously and cautiously weighed, considered, and compared with the practice as well as the reason;—there being none of the things hereby proposed, but what, or at least something equivalent, have been and are at this day practised with good success in one or other of the trading nations of Europe, as can be made appear when there shall be occasion. But although the proposals and scheme be designed to be comprehensive for the trade and industry of this kingdom, and have been tolerably weighed and digested, yet the same time hath not sufficiently permitted to enlarge upon the reasons and observations; but a little more time may possibly produce another edition, with the addition of further observations and reasons.

"And as what is here presented hath not been merely written for speculation, or with a design either to please or displease for the present, but rather for business or future practice, it is expected that the reader who thinks himself any way concerned, will not enter upon the whole or any part with preju-

dice or prepossessions, but will carefully and industriously read and compare the parts with one another, and with the whole,—will consider the weight and consequence of the things, and be as willing and industrious in finding out equivalents and expedients as to make objections, since he may assure himself that if less than what is here insisted on could have been thought sufficient to answer the end, less had been proposed." For the Council Board, he says, "The main hazard in an affair of this nature always has been, and ever will be, of a rash, raw, giddy, and headless direction; and of losses, embezzlements, and neglects—for which few will be the better, although many may be the worse—things in which it will not be easy to make rules, and much harder to cause them to be observed."

This essay insists upon "the uses of adversity" to strengthen character. It nourishes fortitude in a spirit that evidently comes of the author's deep convictions and personal experience. The following passage to this effect may be read almost as a piece of proud autobiography.

After treating of the constitution of his Council of Trade, he concludes:—

"Not only the ordinary despatch and course, but even the more extraordinary, heavy, and surprising difficulties and disappointments in business, do contribute exceedingly to the making and qualifying of men; and as they are naturally the ablest and most vigorous bodies which meet with the most and

strongest exercises in their youth, so the best, bravest, and most capable spirits and genius have ever been formed and cultivated by difficulties. Not only the spirits of particular men, but likewise the greatest and bravest nations, and the most noble and famous designs that ever were, have been, as it were, begotten by necessity, and raised from the depths of difficulty. We see that in times, and with men that had a much more immediate hand of the Almighty upon them, even to such as Joseph, Moses, Gideon, David, and many others, the exercise of troubles, disappointments, and afflictions were found to be indispensably necessary.

"And as we do not doubt but both the success and genius of the Romans, and other famous nations, have been chiefly owing to the nature, variety, and exercises of their difficulties, so we must not look abroad for particular instances. Our own histories are so ample in this matter, whereby we may find that all our greatest men, our best things and bravest actions, and our happiest times, have not only succeeded such, but, as it were, sprung out of some remarkable preceding disappointments, difficulties, calamities, and afflictions.

"But although a great and capable genius be a kind of metal that can never be so well tempered as by and in the furnace of affliction, yet the meaner and more abject sort of spirits, instead of being better or further improved, are rather the more depressed and crushed thereby. Instead of growing

more wise, prudent, patient, constant, careful, diligent, meek, and easy in themselves and with others, they become more hardened, presumptuous, conceited, rash, unthinking, and uneasy; or, otherwise, more mean, abject, careless, headless, and stupid.

"As not a few of these last humours and dispositions have reigned in this nation for near an age, so it is hoped that our late disappointments and difficulties may now have sufficiently awakened, and made us sensible of our condition; and that the many and various exercises we have lately met with will have the better, and not the contrary effect, and prove only necessary preparatives, the better to fit the people of this kingdom to some glorious success to come, to balance their spirits, to bring them to a due decorum; and thus the better to teach them not to despair in adversity, nor to presume in prosperity—that after a lethargy of near an age, they will now be effectually raised up; and that, on this occasion, their sense and genius in matters of trade shall be capable of mounting somewhat higher than the aping a few of the worst, meanest, and most pernicious shifts and mistakes of some of our trading neighbours; —that, contrariwise, our hearts will be enlarged in proportion to the weight and consequence of what we have in hand, and favourable occasions that offer at home and abroad,—that our maxims and principles, in point of trade, may be every way as reasonable and generous, as were those of the

Romans in point of empire;—that the national care and economy hereby proposed may be established,—and that by the means thereof we may have the glory, as well as the comfort, of taking more care of the next generation than the last has done of us, and of putting our country in a way of regaining in the next century what it has lost in this.

"EDINBURGH, *December* 31, 1700."

Setting out in the brave and patriotic spirit proclaimed in this preliminary address, the writer of those proposals first describes the administrative institution he wishes to recommend for Scotland—*The Council of Trade.* Already a similar body, the Committee of the Privy Council called the Board of Trade and Plantations, was established for England; and John Locke had long been a member of it.

PROPOSAL I.—OF A COUNCIL OF TRADE.

"In order to put the home and foreign industry of Scotland upon a permanent basis, a Council of Trade, to be clothed with power and means proportionable to the greatness of the work, was proposed, consisting of a president, to be annually appointed by his Majesty; and of twelve councillors, chosen by the nobility, barons, burghs, and the council of the Indian and African Company. The president and councillors were to be men of truth, courage, and of known and approved integrity, and good morals, not covetous, mean-spirited, or of narrow dispositions, but endued with a reasonable measure of understanding and

largeness of heart, without which no man ever yet was or indeed possibly can be so much as tolerably fit for a public employment or trust. They were fundamentally, at least, to understand arithmetic and accounts, with an inclination and genius for the knowledge and study of matters relating to trade and improvements, and unwearied in their application."

PROPOSAL II.—CERTAIN FUNDS WERE TO BE APPROPRIATED TO THE COUNCIL OF TRADE.

"All charities were to be supervised, ordered, and applied by the Council.

"A sum not exceeding the sum of £1,000,000 sterling might, by way of anticipation, be borrowed by the Council upon the security of the said funds."

PROPOSAL III.

"The sum of £400,000 sterling, part of the said fund, was to be applied to repay the proprietors of the Indian and African Company the sum they have advanced, lost, and expended in prosecuting their designs of foreign trade; and the remainder of the said sum of £400,000 sterling was to be put into the joint-stock and capital fund of the said African and Indian Company, for the use of the Council of Trade, but under the management of the directors of the said company.

"A sum of £4200 sterling per annum, was appropriated for salaries to the president and the rest of the members of the said Council of Trade.

"The sum of £4200 per annum might be, by the directors of the Indian and African Company, bestowed upon allowances for the attendance of those directors.

"The remainder of the funds was applied to purchase and alienate lands, tenements, and other goods or effects whatsoever. The Committee of Trade was to administer oaths, and to do and execute everything that to a body politic or corporate do or ought to belong; and likewise to have and execute all the powers of admiralty and of a court-merchant of this kingdom; and by themselves, or others deputed by them, to hear and determine all causes and things relating to trade, or of the sea, between the king's majesty, his heirs and successors, and the merchants or mariners, and also between or relating to merchants or mariners; and to judge therein by the law-merchant and that of the sea, as known and practised in the most considerable trading countries and cities of Christendom.

"They were under their seal to delegate and appoint such other person or persons as they see meet, to judge and determine in matters and things of or relating to trade and the sea, in any of the ports or places in this kingdom: provided always, that an appeal may lie to the said Council of Trade, or court-merchant, in all causes where the matter in question shall be of the value of £100 sterling or upwards.

"The Council of Trade might be empowered to purchase or build workhouses; and likewise to purchase materials for employing the poor; and for encouraging the manufactories and fisheries; to build and erect granaries for corn; and from time to time to buy up and keep at a regular rate the several growths and manufactures of this kingdom, so as the poor in particular might not be imposed upon nor oppressed by extreme cheapness or want of money for their work on the one hand, nor the nation in general, by extreme dearth on the other.

"They were to add unto or allow ten per cent., or such other proportion as they shall see just and needful, to the joint-stocks of all companies or societies for manufactures, and to all ships, equipages, and vessels employed, or to be employed, in the fisheries of this kingdom, without expectation of interest or dividend; but to have security for repayment of the principal money when the respective parties concerned shall divide or withdraw such joint-stocks, or shall cease any more to employ such ship or ships, vessel or vessels, in the fisheries; and generally, to give and grant such other encouragements, gratuities, and rewards, as they should think requisite for and towards the promoting and enlarging the trade and industry of this kingdom.

"The said Council of Trade might suppress nuisances; make or maintain highways, streets, bridges, harbours, docks, and wharfs, for shipping,

boats, or vessels, or any other public works or conveniences whatsoever."

Our modern *social* reformers may, with advantage, study the next proposals of this enlightened plan of Scottish improvement.

"The judges were to change the punishment of death in cases of theft to the payment of fourfold—one half to the party injured, and the other to the Council of Trade; and to condemn to hard labour for the space of three years, or otherwise. If he, she, or they, have not to satisfy for the theft; then, and in proportion to the nature of the crime or damage done, such thief or thieves might be further condemned to hard labour for any time, not exceeding six years more.

"All bribery, cheating, or designed cheating, wilful bankruptcy and fraud, was to be tried by the Council of Trade, and punished as theft; but if a debtor should faithfully deliver over to his creditor all his estate, and doth design to be just and honest to the best of his power, such debtor might, by the Council of Trade, be discharged from imprisonment.

"The Council of Trade might compel all such persons as were found begging, and under the age of twenty years, to work until they shall come to be of the age of twenty-three years—and all such as were of the age of twenty years, or upwards, for the space of three years; and all sorts of vagabonds, or idle persons, for a reasonable proportion

of time, according to the nature of their several offences; and all such persons as should stand condemned or compelled to work at the public works might, by the Council of Trade, be employed at home or abroad, by sea or by land, or their persons and services might be transferred, assigned, or disposed of, to others, at the discretion of the said Council of Trade.

"They might reduce to an equality all weights and measures, and likewise punish all frauds and cheats therein, or in the making up, or vending the growths, manufactures, or fishings of this kingdom; and likewise oblige the parties concerned to pay the fortieth part of the value for regulation; appoint consuls, residents, or agents, in any foreign cities or nations, as they might judge meet and convenient.

"All foreigners, Protestants, and all merchants, or others, of the Jewish nation, who should come to inhabit in this kingdom, upon their taking the oath of allegiance, or, upon scruple of taking of oaths, their making an equivalent declaration to be true and faithful to his Majesty, his heirs and successors, before the Council of Trade, or such as should be deputed by them, and their payment of the sum of 20s. sterling to have the same recorded, might have liberty to purchase lands, rents, or hereditaments, and enjoy all other privileges of his Majesty's natural-born subjects.

"The coinage of gold and silver at his Majesty's mint, for the future, was to be free, and without

any manner of abatement, expense, or allowance, by or from the proprietors thereof; and all such moneys as were current, and in weight, fineness, or both, under the standard of this kingdom, was to be called in and recoined; and no moneys might, from henceforward, be current in the kingdom, but as correspondent to the standard thereof in weight and fineness.

"All duties on merchandises to be exported free, excepting one per cent. of the value, by the name of entry-money, only.

"All products of other countries, proper to be manufactured in this kingdom, might be freely imported without paying any duty, excepting only one per cent. of the value, by the name of entry-money."*

It is worthy of remark, that these *Proposals* do not touch upon the currency, which was the chief subject of Law's dissertation; and that they expressly provide an indemnity for the losses in Darien, in which he took no interest.

* Writings of William Paterson. 8vo, 1858. Pp. 1–20.

CHAPTER XIV.

The "Proposals" continued—The election of the Councillors of Trade; their funds; and their functions—Public granaries.

A POWERFUL essay follows upon the foregoing plan of social improvement, with a display of enlightened views which later writers upon political economy and administration might consult with profit.

"The vast currents of treasure," says Mr Paterson, "flowing from these unparalleled sources of the New World, within this last two hundred years, have so altered the measures of war, shaken the maxims of peace, and otherwise confounded as well as amazed the Old, that all thinking men are now become highly sensible how advantageous it is for a people to promote and support their trade, navigation, and industry, and how dangerous it is to neglect it.

"But in matters of trade, the interest of particular men, and that of their country, are so far from being alway the same, that they are ofttimes directly opposite to one another. It is the true interest of a country, that the many should rather get every one a little, than a few should get much, because the more diffusive and universal the gain, the more it will naturally contribute to the growth and progress

of industry; whereas, on the contrary, the more it is limited and restrained, the more it tends to the clogging and cramping thereof. It is for the most part the interest and inclination of particular men rather to get twenty per cent. by dealing for one hundred pounds, than only five per cent. by dealing for five hundred; although by the latter the nation would not only gain a fifth part more, but for the most part above three times as much. And doubtless it is nothing else but this separate interest of particular men from that of the public, which hath begot so many pernicious restraints, prohibitions, monopolies, exclusions, and pre-emptions, as we find now in the world.

"Not only by this difference between the particular interests of men and that of the public, but by other accidents, the trade, industry, and improvements of this kingdom are but too plainly and visibly reduced to such circumstances, as that it will be found altogether irretrievable, except by a national Council of Trade, and a national fund of money for the carrying on and promoting the following and such like particulars:—1st, The employing and relieving the poor, and the repressing of idleness and sloth; 2dly, Erecting of national granaries and stores of corn, so as that the industry of this kingdom may not, as hitherto, be at any time clogged by extreme cheapness, nor crushed by the extreme dearth of grain; 3dly, The improvement of the mines, minerals, and other ordinary and extraordinary products of this kingdom; 4thly, The improving and advancement of our manufactures, both in quantity and quality; 5thly, The setting on foot, promoting, and carrying on that great work of making salt upon salt, or refined salt, and therewith the fisheries of this kingdom; 6thly, The reducing the interest of money to three per cent. per annum, or less, not by force or restraint, but by easy and effectual means, and which can never be done but by such a constitution as a Council of Trade ought to be; 7thly, The effectually carrying on, countenancing, protecting, and supporting the foreign trade.

"And as these and the like national improvements can never be effectually begun, carried on, or supported, but by a national Council of Trade, and a public fund of money suitable to the weight and consequence of the work; so those to be appointed for the execution, will have the most weighty and difficult task of any company or council that is, or ever was, in this kingdom. And the qualifications requisite to, and the expectations of those who shall compose this Council, will be such, that the whole collective wisdom and experience of men in the kingdom, will be but little enough to choose and continue the succession of persons fit for so weighty a management and trust. It is therefore proposed that the king should have the annual nomination of the president, and that the estates of nobility, barons, and burghs, with the representatives of the Indian and African Company, may equally have the choice

of the councillors, as the best method, not only for giving and continuing the greater national satisfaction, but for the preventing trade, or the designs thereof, from being made use of as popular handles, either to amuse or embroil the state. By this annual nomination of the president, the more direct and easy access will not only be had to his Majesty, but the credit and glory of successes will, in the person of this his representatives as to their centre, naturally redound to him; whereas, on the contrary, according to the policy of all monarchical governments, whether regular or absolute, the odium of miscarriages or misfortunes, when they happen, will entirely fall upon subjects, and thereby, instead of lessening the just authority or due respect of the prince, as they otherwise might, will only contribute the more to the strengthening his hands in the matters of redress or supreme control from time to time.

"For the better preserving and cultivating of integrity and justice, and preventing the prevalence of affection and compliment, in a matter of so vast a consequence as that of electing of Councillors of Trade, it is proposed that none of the classes or colleges of election may choose of their own number, unless two-thirds at least of the electors do concur in the choice; and likewise, that the votes may be taken by scroll and scrutiny (ballot).

"It is also highly reasonable that no president should continue longer than a year, and that one in every three of the councillors should be annually

left out, and others chosen in their place, because that hereby a greater number of fit persons will not only be bred to the business, but such as may prove otherwise than expected may be more easily and quietly laid aside; and yet, neither the thing itself, nor those who shall signalise themselves therein, will be anything near so precarious or uncertain, as by an annual election of the whole.

"Those who will be at the pains to consider the weight and consequence of this trust, will easily perceive how just and reasonable it is not only to excuse, but even to exclude, the president and councillors of trade from all other offices and dependencies whatsoever.

"As the punishments of such of the Council of Trade as may come to be guilty of wilful injustice, fraud, or breach of trust, ought not to be so wild, loose, and extravagant as most of our laws in the like cases have been, so they ought to be such as are just and adequate to the crime, certain in the execution, and durable in the examples and terror thereof.

On *Proposal* II. he says, "The fortieth penny of all descents wherever practised is found to be one of the most easy, insensible, and equal duties that possibly can be imposed, since no man is ever obliged to pay this one until at the same time he comes to receive the thirty-nine. Was this imposition to be for ever paid as a mere charity, it would be exceedingly easy, for we find Jacob dedicated to this purpose a full

tenth part, not only of what fell to him by accident, or the means of other people, but even of what he gained by his own industry; but since this is proposed to be contributed to a *fund where charity and industry are united*, and are to go hand in hand, it cannot properly, nor ought to be considered as a tax, but only as a good and necessary regulation, where, by the contribution of this fortieth part, the other thirty-nine may be made much more considerable than the whole could be without it.

"The fortieth part of the values in alienations is also very reasonable and easy, nor can there possibly be any material objection, unless in matter of mortgages or wadsets, as they are called, wherein indeed there ought to be some exception or considerable ease; this duty will be most naturally and easily paid by the purchasers.

"The fortieth part of the value of all manufactures ought not to be considered as a duty or an imposition, not only for the reasons mentioned on the article of descents, but because the ends for which this is proposed being well and duly executed, will add at least four times the value to the goodness, sufficiency, and currency of the manufactures and commodities of this kingdom. This or the like kinds of duties have been and are still paid in several trading places of Christendom, and designed for the aforesaid ends, as in the guilds of the Hanse towns of Germany, the halls in Flanders, and by the duty called the aulnage in England. But the execution

of these trusts having been only committed to private persons, the duties have been rather applied to the advantage of those concerned than to that of the commodities they were designed for. This as now proposed cannot fail of being quite otherwise, when in the hands of a National Institution, whose business and interest will always be to promote the advantage of the whole, and not that of any particulars.

"An imposition of one-twentieth part of the sums or values sued for in all actions and suits, where the party shall be found liable in expenses, will be a real national benefit, and yet but a very moderate and easy reproof to those litigious and turbulent neighbours.

"The Council of Trade, who are to be the guardians of industry, will doubtless be the most natural receivers and controllers of CHARITIES, since in all well-ordered countries these two ought to be united into one design, and always to go hand in hand.

"But when it shall be granted that the foregoing impositions are not only proposed to be the most useful and best applied, but the most equal and easy that can possibly be raised in this kingdom; yet perhaps this tenth part of all sorts of grain consumed, or an equivalent in money, may seem heavy and grievous to those who have not duly considered or fully weighed the case; for the better and clearer understanding whereof we shall say somewhat. 1st, With relation to taxes and impositions in general. 2dly, Of this upon corn in particular.

And, 3dly, Of the advantages and benefits that will arise by the fund in general.

"Taxes are sometimes raised for the defence and security, sometimes for the ornament, sometimes for the improvement, and but too often for or towards the hurt or ruin of a country.

"Taxing, as well as all manner of charges and impositions, hath a twofold effect, a positive and a negative. In the first case, so much as is raised, how insensibly soever, is certainly taken away from, and lost to the person or circumstances obliged to pay. In the second case, it leaves a disability equal and in proportion to its weight, since not only the neat sum, but the improvement and advantage that might have arisen from such a value, is likewise lost to such person or circumstance. Therefore it is that the different ways of taxing, although for the same sums, are so vastly easy or uneasy with respect to one another, and have so very different effects, that reasonable and moderate duties on the consumption are ofttimes so far from being hurtful to a country in general that they naturally encourage frugality in the rich and industry in the poor; whereas, those raised on the industry or increase have a clear contrary effect, insomuch that, besides the inequality which must always be much greater in taxes raised on gaining than on spending, the difference of the weight in the general is usually as one to four. So that a people in gross may be said to be at least as easy in their taxes, when they pay four on their consumption, as when but one upon their increase or industry.

"To illustrate this, it ought to be considered that the consumption of this kingdom may amount to about £3,400,000 sterling per annum, although the increase does not amount to quite so much, because the nation is upon the decaying hand; and that, although the real number may be somewhat more, yet there are good grounds to think that the best political number of the people of this kingdom will be 600,000; and that probably one-fourth of these people do consume above one-half, or £1,800,000 of the before-mentioned sum, or, to avoid fractions, not at all necessary in these kind of computations, about 4s. 8d. sterling per week per head; whereas the other three-fourths of this mass of mankind do not perhaps altogether spend one-half of the before-mentioned sum, or not above £1,600,000 per annum, or at the rate of about sixteenpence sterling per week per head.

"Now, suppose a tax could be equally laid upon the consumption of all this mass of mankind, of the value of threepence per week on the rich, and one penny sterling per week on the poorer sort, if the several weights were no greater than proposed, there are reasons to persuade that this tax would bring down the consumption of the one to about 4s. 2d. per week, and raise the industry of the other towards eighteenpence per week in the whole, or twopence per week more than now; that is to say, the one penny towards payment of the tax, and the

other towards living better than they now do; and thus, doubtless, a very considerable tax might be raised without being hurtful, but rather beneficial to the nation.

"But since many of the taxes that could be imposed upon the consumption would be so uncertain and expensive in the collection, as that they could not be easily rendered practicable, for which, and several reasons that shall be given hereafter, this imposition on corn is proposed, and will doubtless be found to be the most just, easy, and reasonable excise that can possibly be proposed in this kingdom.

"For although those who are not disposed to take much pains in anything may possibly be still for continuing our ordinary ways of taxing, either as thinking them the readiest, or because they neither do, nor perhaps are willing to know any better, yet certainly the cess-poll money, hearth money, and such like, do not only lie on the increase instead of the consumption, but since the land rents of this kingdom do not at this day much, if at all, exceed £1,200,000 sterling per annum, and that the consumption of the nation is near three times as much, by comparing the inequality of these things, it may be reasonably supposed that every penny raised by these ways are, rationally speaking, as uneasy to the nation as fivepence laid on the consumption; and, in like manner, since the foreign trade of this kingdom—that is to say, the importation and exportation thereof—is not to the other industry as above

one to ten at the most, therefore, doubtless, all that part of the customs or foreign excise which lies on this particular part of the industry may, perhaps, be near ten times as uneasy to the kingdom as so much would be when raised on the general consumption; but since it is the main design of the fifth proposal to take off all that part of the customs that does or but seems to lie on industry, shipping, or navigation, and to lay the same on the consumption, it need only be mentioned in this place.

"Of the great advantage and benefit that may arise to a country by easy and equal taxing, the Dutch are living examples, who, in proportion to their intrinsic value pay the greatest taxes in the known world, and yet are not only the most easy and industrious people, but there is no country in Christendom where the rich are more frugal, the middling and industrious sort of people live better, or the poor anything near so well.

"But to come to this tax or imposition on corn in particular, as at present proposed, besides the foregoing and the like reasons that may be given for excises in general, and for that one on corn, as being one of the most easy, equal, and easily collected, there are weighty reasons for this, and this sort of imposition on corn, in the present case, very particular to this kingdom; and which will make it plain that this imposition, as designed, will rather be a good, advantageous, and necessary regulation than a tax: since, in the first place, the alternative

in money, and the national granaries and stores of corn, which are proposed hereby to be erected, will not only give all sorts of grain a natural currency, but, with good direction, may raise the value thereof to at least one-fifth part more than what it has hitherto been, and yet always prevent its rising as well as falling to any great extremities; for example, suppose that the years in this nation should, one with another, continue to be anything like what they have been for several centuries past, and that the moderate price of corn in a medium were now reckoned at ten shillings sterling per boll, by this means it may be kept between twelve and fourteen, and yet never be suffered to rise to the extremity of twenty, or fall to that of seven or eight; so that, by the means of this tenth, corn may not only be made and kept always a current commodity in time to come, without being in danger of running to extremities, but be made at least one-fifth part better to the owners of land and raisers of corn than hitherto; the which good effects, however otherwise intended, could never so naturally and easily follow if the tax or imposition hereby proposed, or the like sums of money, were any otherwise raised than thus directly on corn.

"Since there is hardly any country in Christendom more subject to uncertain seasons than this kingdom, it is very strange that some of the many straits and necessities this nation hath been under have not produced some such national care and economy long

ere this. It is true such great and unwieldy societies of men, as considerable kingdoms or states, especially when made up of so different, unequal, and undue mixtures as this, seldom ever made any good or fundamental reform but by accident or necessity; *but, although we have not hitherto been blessed by the accident of a capable and successful person or genius in the fundamental matters of trade and improvement,* yet it seems strange that none of the many and destructive famines this nation hath been exposed unto have not ere this stirred up and awakened the very mass of mankind to some such national care and economy as is hereby proposed; for example, considering the price corn has been at within this last five years, and what quantities must needs be consumed in this kingdom, there cannot be less than a sum of £400,000 sterling, or the value expended by the nation for corn, besides little less than double that sum in the loss of people and other damage.

"Now, what ought the nation to give, were it necessary to be insured against such accidents for the future? But more especially, when they may not only be put in a way to have sufficient stores of corn for themselves, but likewise considerable quantities toward supplying their neighbours in such unfortunate seasons.

"Wise and prudent states will look far, and lay in stores for the winter of years, as well as for the winter of days. Joseph of old, by laying up one-fifth part of the corn of the seven plentiful years,

was enabled not only to supply the land of Egypt, during the seven years of famine, but likewise most of all the neighbouring countries. And we see the Dutch at this day, who, although they have little corn of their own growth, in comparison of their consumption, and who are forced to pay dear freights and warehouse-room for what they get from abroad, and besides all this, considering the alternative, do pay more than three times the duty here proposed; and this not for national improvement, but for national expense; and yet, after all, as hath been said, their middling sort of people live as well, and their poor much better, than any in Europe; besides which, they have for this last century, never been in any such national straits as most of their neighbouring countries; but, on the contrary, have been able, to their great profit, to export vast quantities of corn to supply the wants of other nations.

"There is no doubt but extreme plenty and cheapness contribute exceedingly to extreme dearth and want; and that, like other extremities, they produce one another. It was observed that, for several years before the last five, corn was extremely cheap and low, even so as to discourage both the raiser and heritor, and to indulge the poor in idleness to an insufferable degree; and this habit of idleness and sloth, contracted by plenty, concurring with the unaccountable neglect of the state in not laying up some of the abundance against the time of dearth and unfavourableness of the season, was doubtless none of the least causes of the late grievous famine.

"To conclude this reasoning on the benefit of granaries and stores of corn; considering its situation on the sea, and the command this nation may have of the fishings, by which they may be able, among other wealth, to procure vast quantities of corn fitter for stores than that of this kingdom, and that although our soil be not generally so bountiful as that of some of our neighbours, yet since it is capable of much greater improvements than hitherto, certainly our country, with reasonable national care and economy, may be made not only capable of supplying itself at all times, supposing the seasons to continue anything like what they have been for several ages past, but may be easily brought into a condition of being one of the greatest storehouses for grain of all the countries in the northern world. Now, from what has been said, or what may be naturally deduced therefrom, it is justly hoped that both the raisers and consumers of corn, and all others who may think themselves concerned, will see their accounts so advantageously balanced in the good consequences and improvements proposed, as not to remain in any further doubt with relation to the contributing their respective shares to the aforesaid fund.

"But, although the benefit that would naturally accrue to this nation in the matter, and with relation to corn alone, be not only more than capable of

balancing this tenth share, but even of all the rest of the branches proposed to this fund, yet there are several other advantages not less considerable in themselves, or with relation to this kingdom, than this. Since people and their industry are the truest and most solid riches of a country, insomuch that in respect to them, all other things are but imaginary, we shall in the next place speak of the employment of the poor; and by way of introduction shall here, in the following scheme, not only give the amount of the contributions of the city of Edinburgh towards relief of the poor for the last year, being 1699, but from thence our conjecture what the same might have amounted to in the whole kingdom."

CHAPTER XV.

"Proposals" continued—Law of fisheries—List of monopolies—Wool—Need of funds for public improvements—Interest of money.

The analysis of the ancient laws of Scotland respecting fisheries, is a singularly acute exposure of commercial restraints and protection—long especial objects of Paterson's attack. This example of the use of the statutes of the realm to illustrate a great question of political economy, is at least as worthy of critical admiration, as that of a late writer upon the history of reformation, Mr Froude, to whom the supposed merit of originality in this field has been awarded.

"The herring and white fishing," says Mr Paterson, "may next come under our consideration; and certainly there are none who have taken any tolerable pains to inform themselves in this matter but are convinced that this nation is much better and more conveniently situated for the fisheries than any other in the known world, which makes the neglect thereof hitherto altogether inexcusable, as well as unaccountable, in the inhabitants thereof.

"Upon the first and more superficial inquiries, the vulgar sentiments with relation to this matter

seem to be, that, although it be confessed the herring, and white fish, with no small quantities of others, are much more complaisant to the people of this kingdom than to any other we know of on earth, in not only sojourning sometimes near us, but in a manner taking up their abode at our very doors, and in the very bosom of our country, when, in the meantime, they are courted by others from far—and that our government, forsooth, in return of these unparalleled civilities of the fish, has, from time to time, made the best laws, and given the greatest encouragement for fishing that is possible;—yet the mischief of all is, that, by some occult quality in, or enchantment upon the people, they are by no means fit for the fisheries, although the fisheries be so incomparably fit for them.

"But when, in order to discover this enchantment, we look upon the people, we find they are just such another mass of mankind as any such number of men might be expected to be, when so bred, educated, used, and under such circumstances as they have hitherto been; there seems not any material difference—only, if what is affirmed be true, they are very unfortunate that good laws will not have the same kind of good effects with them they used to have in other nations.

"Now, since, as it has been said, it is not at all perceivable that the people have any material difference from others in their circumstances, and since it is only from the good effects of laws, and from no

other property whatsoever, that they can be properly called good, let us venture to inquire into these good laws they speak of, and see whether the enchantment, or any part thereof, for all these fine words, may not lie lurking in them.

"The first Act of Parliament we find relating to fishing is the 49th Act of the sixth Parliament of King James the Third, anno 1474, whereby it is ordained, 'That, for the good of the realm, and the great increase of riches to be brought from other countries, certain Lords Spiritual and Temporal, and burghs, should order great ships, busses, and other great pink-boats, with nets and other utensils and accoutrements for fishing, to be made.'

"The second is the 49th Act of the fourth Parliament of King James the Fourth, anno 1493, which mentions 'The great and innumerable riches (as it is there expressed) that were lost to this kingdom for want of convenient ships and busses to be employed in fishing; wherefore, for the great advantage that might be thereby had, and to cause idle men and vagabonds to labour for their livings, and for eschewing of vice and idleness, and the common profit and universal welfare of the realm, his Majesty and Estates of Parliament appoint that fishing ships and busses, of twenty tons burthen and upwards, be made in all burghs and towns of the realm, in proportion to the ability and substance of each town.'

"The third is the 98th Act of the seventh Parlia-

ment of King James the Fifth, anno 1540, whereby among other things it is enacted, 'That no man, merchants, or others, should send any white fish out of the realm, but permit strangers to come and buy them of merchants, or freemen of burghs, with ready gold or silver, or bartering of sufficient merchandise for the necessary use of their houses only.'

"To pass over some others of less moment, as they stand in the Statute Book, we shall come in the fourth place to the 60th Act of the fourth Parliament of King James the Sixth, anno 1573, whereby it is declared, 'That forasmuch as it was heavily complained, how that the whole slayers of all kind of fishes within the realm, not regarding the Acts made by our Sovereign Lord's dearest predecessors, which are that, when herring and white fish are slain, they ought to be brought to the next adjacent burghs or towns where the slayers thereof do dwell, to the effect that the lieges may be first served; and that if abundance hath occurred, they may be salted and transported by free burgesses; by the neglect whereof our Sovereign lord is greatly defrauded of his customs, and the good subjects of this kingdom want the fruits of the sea appointed by God for their nourishment, and the burgesses and freemen of burghs disappointed of their traffic and commodity.'

"Therefore our Sovereign Lord, with advice and consent of his Regent's Grace, and the Estates of Parliament, ordains, 'That all fishers, and others

whatsoever, who shall happen to slay any herring, or white fish, do bring the same to free ports, there to be sold, first commonly to all the subjects, and afterwards the remainder to freemen, under pain of confiscation, not only of the fish, but of the ships, and of all the moveables of the offenders.'

"Thus we have here a brief view of the ancient laws relating to the fisheries, as much in their sense and manner of expression as the propriety of our present way of speaking will allow, and besides which there are likewise other acts of the said King James VI., to the same or like purpose.

"By the first two of these Acts, we plainly see that our ancestors very sincerely endeavoured to begin and carry on the fisheries, and that the recommending the same to the great men and burghs was the best method they could light upon in these raw and early times.

"And although this was but a very weak, loose, and precarious foundation, yet it seems the encouragement and advantage was such, that in less than seventy years after the fisheries were become a tempting morsel for a set of avaricious hucksters and monopolists, who, under specious pretexts of the good of the kingdom in general, and of the burghs in particular, first, by the Act of 1540, and afterwards by that fatal one of 1573, and those which followed, enhanced the whole to themselves, which, doubtless, like monopolies, exclusions, pre-emptions, restraints, and prohibitions in other cases, first in-

sensibly stopped the further progress and improvement, and afterwards by degrees dwarfed and crushed the fisheries of this kingdom to such a degree, that, instead of exportations worth any mention, the nation hath not for a long time been in a condition to furnish itself one half of what fish might be reasonably consumed therein, nor is what we have commonly half so good and wholesome as by national care and industry it might otherwise be.

"As on the one hand we cannot nor ought not, in reason or justice, to suppose, that their then respective Majesties and Estates of Parliament designed anything by these two last-mentioned Acts but the good of the kingdom in general, and of the fisheries thereof in particular, so it must needs seem strange to those who have anything deeply and ripely considered this matter, to think how and by what means possible the Parliaments could be moved to pass such Acts, as not only by their fatal consequences, but even by the plain and apparent sense and meaning thereof, are so pernicious and destructive, not only to the increase and improvement but to the very nature and being of the fisheries; to load them with exclusions and pre-emptions, which, all things considered, were not less but rather more heavy and burthensome than one hundred per cent. imposition could have been without them, insomuch that, instead of encouragements, as was pretended, had they considered, not only days but many years, they could hardly have thought of a more gradual

and insensible, and consequently, a more certain, effectual, and mischievous way to crush and ruin the fisheries of this kingdom.

"But with relation to this we need not doubt but the monopolists and hucksters of that age had every whit as seeming fair and specious pretences as some of the same kidney and brood have in this. We may be sure they represented to the Parliaments and people in these times, that, although indeed the far greatest part of the soil of this country was none of the best, yet, fully to compensate this defect, it had pleased Almighty God to give unto the inhabitants thereof no less than the abundance of the sea, the inexhaustible and invaluable fisheries, for their nourishment and support.—That these fisheries were so naturally inherent to and inseparable from this kingdom as left no room to fear, or reasonable ground of apprehension, that the industry of strangers herein could ever come to interfere or cope with that of ours, since they had, in the first place, long, expensive, and dangerous voyages to make before they could come at the fish, and, in the second place, they could fish but for some few months in the summer, and both they and their vessels must lie idle for all, or, at least, most part of the rest of the year;—whereas, on the other hand, our coasts were not only environed and surrounded with fish, but our many and spacious inland lakes and sounds were in a manner filled therewith, so as the inhabitants of this kingdom could not only fish with inconsiderable expense and danger, but, in

one sort of profitable fish or other, during the whole year without interruption—say they, these things considered, we need not be at the expense, trouble, or danger of carrying our fish to strangers—if they will have any, they shall fetch them themselves. Nay, not only so, but the ignorance and presumption of these monopolists was risen to such a height that they would needs have the Parliament to take measures for preventing the people from being cheated by selling their fish to strangers, on credit, for a bad commodity or insufficient wares; and therefore got them to enact, that for the future men should take nothing but ready gold, silver, or good and current commodities equivalent in exchange for their fish; and lest, notwithstanding all this, ignorant fishermen, or other such like people, should sell their fish for half nothing, or too cheap, to foreigners; therefore, after all, none but free burgesses ought to be entrusted with the disposition of these national jewels. But, on the other hand, the better to gain the affection and countenance of the giddy and unthinking multitude to all this sophistry, they flattered them with a pretended pre-emption, which was but merely imaginary to the poor people, but real and effectual to the monopolists; for we may be sure that, however low and druggish the price of fish might be at the very first, till most of the best fishers and seamen were, by that means, forced abroad to foreign countries, and driven from the fishing at home, yet, in a short time after these exclusions and pre-emptions, such of the fishers and seamen as remained, and were not in league with the hucksters, happened seldom if ever to meet with extraordinary market for their fish, wages, or employment for themselves.

"As the monopolists had their proper and particular baits, hooks, or nooses for their several and various sorts of fish, we need not doubt but that they had them likewise for the different degrees and capacities of men. With the commons this pretended and sham pre-emption went, doubtless, very well down, and the nobility and gentry might likewise acquiesce as knowing little or nothing of the nature of the thing; but the chief and most sensible motives of the kings and Parliaments seems to have been that, since the burghs, by reason of the fishing, and the many good consequences thereof, were become rich and able to contribute very considerably to the public duties and impositions, therefore, partly as they thought to ease themselves, and partly because some of them might possibly be envious or repine at the prosperity of the successful traders, some tax or imposition might, by instigation and consent of the nobility and gentry, be laid on the fishing, as likewise on the burghs, for their trade, which by the monopolists, we need not doubt, would be afterwards used as a handle; and under pretence of gaining these monopolies for the burghs, who they might pretend were therefore taxed, they really got them for themselves. For in

all such like pretences as these, though the good of some public thing or other appears uppermost, yet private interest and personal regards is always at the bottom. However it was, we need not doubt but they as much persuaded the Parliaments and people of these times, that by the mere means or ways of monopoly, pre-emption, and exclusion, they could hedge in the herring, cod, and other sorts of fish, as some of the same stamp have not a few of our neighbours in England, that they can thus not only hedge in their wool, but hinder it, or anything like it, to grow elsewhere; or that they can heap up wealth by hedging out the Irish cattle, the Flanders manufactures, or such like; and that although this matter be plain to us now, when it has had its full effect, yet certainly it could not be so to them, or we may be sure our ancestors would sooner have consented to sell the monopolists to Turkey, than to grant them so destructive and fatal pre-emptions and exclusions as these, with relation to the fisheries, have been.

"So that upon the whole we may safely conclude that *it has not been by the bad observation of good laws, as is ignorantly pretended by some, but rather by the good observation of bad laws, that the fisheries of this kingdom have been crushed and ruined;* and that nothing less pernicious to trade and industry than the before-mentioned monopolies and exclusions, gained under the glorious and specious pretence of the good of the public, and in particular of the royal

burghs, but in reality only designed and applied to gratify the interest, avarice, and humours of a very few private men, could so totally have effectuated this matter.

"In order to rise happily, nations and great societies, as well as particular persons, ought in the first place to consider well how and from whence they are fallen; wherefore, until some further and more ample account can be had of the matter, this brief view of the most open and apparent causes, first of the discouragement and decay, and afterwards of the total loss of the fisheries of this kingdom, may be of use at least to put such as are curious in the way of informing themselves more fully and clearly herein."

After enlarging upon the subject of the fisheries still further in this strain, he continues:—

"But that we may be the better able to distinguish between the interests of particular men, whether monopolists or otherwise, and that of the nation in this matter of the fisheries, let us consider, that could we (as we hope in time) once come to have sufficient quantities of refined salt made for the fisheries and other uses here at home—as things are now situated, and according to the present value and denominations of money, a last of ready cured and packed herring or white-fish would possibly in foreign materials and workmanship not stand the nation in quite forty shillings; whereas, such a last of fish might stand private men, but

especially unwieldy societies or monopolists, at least nine or ten pounds sterling per last in a foreign market. Now, in such a case, it is visibly the interest of particular men, whether concerned in a joint-stock or otherwise, rather to sell one hundred lasts for twelve pounds per last, whereby they might get about twenty per cent. for their money, than to sell ten thousand lasts at ten pounds per last, where they could get nothing but labour for their pains. On the other hand, by the hundred lasts, at twelve pounds per last, the nation could only get one thousand pounds; whereas, by the ten thousand lasts at ten pounds per last, the gain thereof would be no less than eighty thousand pounds, or eighty times as much.

"It is not only a received maxim in trade, that the fall of the price of any current commodity heightens or raises the consumption proportionable, at least, to some certain degree, which it cannot naturally pass—and that, consequently, the rise of the price will sink the consumption in the like proportion;—but, in this particular case of fish, it hath been, and is the opinion of many considerable merchants and experienced persons herein, that if the price of herring, and other salted or cured fish, were sunk one-fourth, or perhaps but one-fifth, part lower than in a medium (taking peace and war together), it hath been for the last forty years, and if a little more care were taken in the curing and packing thereof, than usually there is (all which could, with

care and industry, be very well done, allowed, and borne, both by the Dutch and us), that this would create a demand of more than double the salted or cured fish now consumed in Christendom; and, consequently, employment for at least double the people therein. Besides, we need not doubt, but were there two or three sorts of sellers, instead of one, that even that would naturally give much more life and support, both to industry and to the currency of the commodity.

"Now, in such a case as this, and supposing that this kingdom had a demand of ten thousand lasts of fish yearly from foreign parts, it would, doubtless, be their interest to have the price of their fish sunk from ten to eight, or one-fifth part, if they could be assured that, instead of ten thousand lasts at ten, they should now, by this means, have a demand of double that quantity, or twenty thousand lasts per annum at eight;—because thereby the nation, instead of gaining only eighty thousand pounds per annum, would get one hundred and twenty thousand, or a third part more, besides the proportion in their consumption at home. But, in such a case, particular men, especially such as had the monopoly, would rather be for advancing the price than lowering thereof; they would rather be for selling if it were but one-half, or fifty lasts instead of a hundred, at a fifth part more than double or treble for anything considerable of a lesser price.

"By these, and the like instances that might be

given, it may plainly appear how impossible it is for the national fisheries to be anything like effectually retrieved by private or particular men, either out of, and much less in, a monopoly, or, indeed, any other way but by national care and expense;—not for the prohibiting or excluding any, but towards the support and encouragement of all particular undertakers whatsoever. Indeed, who are so much concerned to be at the expense and trouble of the recovery, the learning, and breeding the nation to the fisheries, as the nation itself? since, where any particular man can possibly get a penny by the fisheries, the kingdom in general, considered as such, will at least get eight;—and what would it be for the nation, or any in their circumstances, in such a case as this is, if need were to expend and even sink two or three hundred thousand pounds sterling, or were it much more, to gain at least so much per annum for all time to come.

"By what hath been said with relation to the fisheries, we would by no means be understood to mean any prejudice, or to entertain other than kind and respectful thoughts of our neighbours the Hollanders; nor is there any just cause of jealousy or umbrage in this matter, since here is much more than room enough in the fisheries for us and them: and certainly, were there three times as many concerned as now, there would at least be three times the business, and yet still upon the improving hand; for trade is and will be capable of increasing trade,

money of begetting money, and one improvement of making way for another to the end of the world; and, as the Dutch for more than an age have been, they will doubtless still continue to be, considerable in the fisheries and foreign trade, at least so long and in so far as they shall remember, and act as if they remembered, that it has not been by monopolies and exclusions, but by the generous principles of ease, freedom, and security which they have prudently opposed to the heavy impositions, restraints, and prohibitions of others, that they have been enabled to raise themselves;—*it is true, if, quite contrary to all this, they who of all men living have most known by experience that trade is a coy mistress, and will not be hectored but courted; if even they shall begin to take umbrage at the industry of others; if they shall be for forsaking their old and virtuous principles, and way of courting trade by industry, frugality, and ingenuity, and betake themselves to force and violence, which has ruined so many others before, this indeed would look but too like a sign of their declension.*"

As to the defence of monopolies, drawn from the granting of patents for inventions, he says—

"We find it the custom of not a few trading nations, as an encouragement to trade and industry, to grant monopolies of any new invention, or to those concerned in the first introducing of manufactures to a country; but in this we may likewise observe that these monopolies are commonly granted but for fourteen, fifteen, or hardly

exceeding twenty years; and although this sort of young monopolies, as has been said, be not so pernicious as others, and that this be indeed one way of learning of arts unto and of begetting industry in a nation, yet surely it is so far from being the best, that it were often, nay, for the most part, much better for a prince or state to give double or treble the sum gained by the monopoly as a reward to the inventor or introducer; since it not only, for the time at least, possibly hinders four or five, but it may be eight or ten times the people from going into the matter, but not seldom proves so bad a preparative as in a great measure to balk the further growth and progress thereof, even when the monopoly is at an end."

The subject of the next paragraph—*the exportation of wool*, has, *with its importation*, occasioned long and earnest discussions for centuries; and they who are acquainted with the violence of the controversy on both branches, especially on the latter, some thirty or forty years ago, will readily admit the correctness of Paterson's views. His sly distinction between what men honestly but blindly "think" is their interest, and what really is their interest, is applicable, as he well knew, to most of our errors.

"Besides several monopolies that have been granted for, or at least in order to, the introducing and for the encouragement of the manufactures of this kingdom, great things have been and still are proposed to be done in that matter, by the prohibiting the exportation of wool. But this is either done by some who, whether it be or not, at least think it to be, their private interest, or by others who are not used, or it may be not willing, to look far into consequences, and are therefore apt to confound the causes of things with the effects, and the effects with the causes—and to draw conclusions from accidents, without ever considering whether they have any sort of correspondence with or relation to the case. But if these gentlemen would take but any reasonable pains in this matter, they might be easily convinced that this old and threadbare shift of prohibiting the exportation of wool is not only in its nature ineffectual for the ends proposed—since whenever it yields a price worth running the risk, it shall and will always be exported abroad, nay, even if instead of restraints and prohibitions we should set guards and garrisons to keep it in—but that to this kingdom it is, and must be, of pernicious consequence, since it equally discourages both the raising and importing of wool. As to the raiser, we may be sure no man will lay out himself, or it may be put his posterity upon laying out themselves, to cultivate, improve, and raise greater quantities of a commodity which he knows must after all be at the disposal of other people, and that it must be they, and not he, who pretend to set the price. The importer hath doubtless the same reason not to bring or send his effects, no more than he would his person, to a prison—

but especially to a country which is so far from having stores of this commodity, that perhaps the value of five thousand pounds sterling or less in fine wool extraordinary at a time, is capable to sink the price at least one-third part, or fifty per cent. Whereas, was this matter on a just foot, this nation might always have a stock of not less than one hundred thousand pounds sterling worth of fine wool more than they hitherto use to have, which indeed might be capable of keeping wool, like corn, from flying from one extremity to another, as it usually does in this country.

"Whatever effect restraint on the exportation may have upon the price of wool in making it worth little or nothing for a few months, or it may be for some years, yet, when by this both the raiser and importer are sensibly discouraged, there is no doubt but that one extremity will as naturally produce another in wool as it does in corn; and these fits and starts may disable the nation for ever from making any solid or steady progress in this part of their industry."

Strongly as Paterson urged the adoption of all means proper to give free current to credit, he ever as strongly insisted upon the existence of a sufficient *fund* of real money, to base credit upon.

"As money answers all things, so, without a sufficient fund thereof," he says, "all we can propose would be ineffectual. Nay, the very fear of the want thereof has ruined and lost many of the best and greatest

designs that ever were in the world; and certainly a much less sum than what is here proposed to be anticipated, can never be capable of effectuating so great a work as this. And herein it ought to be considered, that if any sum should be over, it will not only be secure and at the call of the nation, but in the meantime may be profitably employed; whereas should the fund fall short, or but seem in danger of falling short, these designs, the success whereof do so naturally depend on one another, might, at least in a great measure, be in danger of proving ineffectual; and as there are none who shall duly consider the connexion of the beforementioned designs of trade and improvement, and the dependence they naturally have upon one another, but must fully be convinced of this, it is justly hoped and expected, that every well-wisher to the happiness of this kingdom will endeavour first to propose somewhat in lieu of any part of this fund or institution that he or they shall come to raise scruples or objections against. For the retrieving the losses, reputation, and relieving our country from its present distress and reproach, is a sore that ought not only to be skinned over but effectually cured, whatever pains and expense it cost; and without this, or some such institution and fund as this, it may reasonably be presumed our country can neither be relieved from its present difficulties, nor put upon a prosperous footing.

"Considering the scarcity of money in and the

smallness of the receipts and payments of this nation, there could hardly, by the ordinary way of anticipation, be much more than half the sum of ten hundred thousand pounds sterling reasonably depended on from the credit of this fund, within the proposed three or four years; but although more than this cannot reasonably be expected from the ordinary way, yet if this fund, or its equivalent, shall be settled and constituted as is proposed, there are those who cannot only propose a sure and certain method of raising the said whole sum of ten hundred thousand pounds in proportionate payments, within the first four years, but likewise in a very advantageous way to the nation.

"The use and acceptance of gold and silver in exchange for other things was at first and originally introduced into the world by the common consent of men, wherein the quantity or value was not considered or distinguished by marks or names, but by weight and fineness; and therefore we find, when Abraham bought the field of Ephron, he weighed four hundred shekels of silver current money with the merchant;* but in process of time, and when trade began to extend itself through many and remote countries, to make the receipts and payments of gold and silver more easy, certain marks, stamps, or numbers, to signify the weight and fineness thereof, were devised to be put upon the several pieces; and at first these marks were put by some

* Gen. xxiii. 16.

of the principal moneyers or traders themselves, and had a currency, at least so far as they were known or had a reputation. Since, however, the public of a country was not only better known, but supposed to be less subject to fraud, therefore the putting these marks or making these certifications was naturally and of course referred to the care and trust of princes or states. But, as with other sorts of bankrupts, so it is but too often with bankrupt states—when by ill courses they are reduced to straits and difficulties, they commonly forsake the profitable as well as laudable measures of truth and justice, and betake themselves to indirect shifts and little tricks, among which the diminishing, debasing, or altering the denomination of the current money hath sometimes been one.

"This purloining trick of state, which opened a door for depraving, both as to matter and measure, those species which, by the consent of men in most places of the world, are agreed to be the common standard and measure of all other things, was introduced with the destruction of the Roman empire by the Goths, Vandals, and other barbarous northern nations. This was through the craft of the Jews and Lombards of those days, who, making use of the ignorance of the times, and the necessities of several paltry princes under whom they lived—to their own particular advantage, but to the inexpressible prejudice of the general commerce—persuaded those princes, and not a few among the giddy and

unthinking crowd, that the giving their money another or better name would increase its value.

"As to many others, so this unaccountable conceit has been very prejudicial to this nation; and, although we see at this day that the pound sterling in England, the livre in France, the guilder in Holland, and other places, and the pound Scots here, which were originally near, if not quite, the same thing, are not a penny the better for their different names, but so far the worse, as they create an uncertainty and difficulty in commerce—yet we find another alteration of our money in the year 1686, by which our pound sterling is debased or sunk to about eight and a third per cent. below that of the English value; which alteration has ever since, besides other advantages, been a sensible addition to the imposition upon this kingdom in the matter of exchange. But since any alteration in money, which way soever it be, is a real loss to a country—whether the reducing the standard back again to what it was, or fixing where it now is, would be least prejudicial to the nation, is a question not easily determined, and of which a Council of Trade, after due inquiry and examination of the matters of fact relating thereunto, will be the best and most capable judges.

"The alterations, confusions, or uncertainties in the moneys, or in the weight and measures of a country, although they be of the most insensible, yet they are of the most pernicious consequences to

trade and commerce. In the matter of money we may have some prospect of the quantity and nature of the mischief, if we consider that, in most countries, the current moneys do not exceed one-twentieth part of the other effects, so that any imposition or difficulties on the moneys doth not only directly affect this one, but likewise the other nineteen parts whereof it is the measure and standard; whereas, when impositions, alterations, or difficulties happen unto or come upon any other part of the stock or effects of a country, it chiefly affects that part only where it directly falls or lies. From which it may be reasonably concluded that whatever the present French king raised by his late impositions on the alterations of money, hath done at least ten times the prejudice to France that the sums could have done when raised another way. But this, by being often done in that kingdom, has gained credit by time and frequent practice; and we know conceits thus acquired and rooted are not easily parted with, even by particular men, and much less by nations.

"The money of this kingdom, which is in weight and fineness under the standard, has certainly done more mischief annually to the nation for several years last past, not only than all the loss would be in crying it down, and the expense of recoining thereof, but perhaps than the very nominal value of all that kind of specie; so it is reasonably proposed to be called in and recoined, the loss whereof will be

but very inconsiderable, and this but for once, and perhaps will fall as easily and equally on the possessors of this specie as any other way it could be raised.

"The laws prohibiting the exportation of money are also very pernicious to a country, and have just a contrary effect to what is at least pretended to be designed by them, which is to keep the money in the country; since, besides the other prejudices this naturally brings to trade, which are too many here to enumerate, in our particular case it is the main cause of the grievous loss we are commonly at in the exchange.

"The lowering and sinking the interest of money, not by force or coercion, but by gradual and natural steps and means, would be none of the least advantages of this institution, since it may be reasonably expected that they may bring the rate of interest down to three per cent. or under, in the space of four or five years; and, although it must be acknowledged that other methods for lowering the interest of money might be proposed, yet there is reason to think that none will or can be so naturally easy, or indeed so effectual as this, or such a national institution and fund as this would be.

"But as there can hardly a public good be proposed but some private interest or humour or other will of course be for making opposition, it is possible to this it may be objected, by some of these few who altogether or for the most part are subsisted by

usury, that this lowering of interest may not only be a prejudice to them, but to several widows, orphans, and other weak people, who live only, or for the most part, on their money. To this it may be answered, that as to those who are strong and able in body and mind for some lawful employment or other, it is justly supposed that no state, who pretend to any share of wisdom or prudence, will encourage such a sort of idle people; especially, when perhaps in this nation they are not one in two hundred to the rest of mankind. And how unaccountable would it be for a country either to make or keep up laws to encourage and indulge one in two hundred of their people not only to live idle themselves, but by the influence of their usuries and extortion, as well as example, to crush the industry of others above ten times as much as the value of their whole necessary expenses amounts unto! It is true the widows and orphans who live on their money may be about double the number of these more able drones; but yet even these do not in this country perhaps amount to one per cent. of the whole people; and is it not more reasonable these few should live at so much less expense, or betake themselves to some sort of honest industry, than that the whole nation should so intolerably suffer on their account? Besides all this, it ought to be considered that by the fall of the interest the ways of gaining would be so multiplied, and such comfortable and creditable methods for maintenance and

support would of course be provided for such as really could not live or subsist of themselves, as would be much more than capable of compensating the real loss of any who, in such a case, could in the least deserve the public care or commiseration."

CHAPTER XVI.

The "Proposals" continued—The management of the funds for the support and improvement of the poor in Edinburgh and all Scotland.

THE famous picture of the poor of Scotland, at the end of the 17th century, drawn by Fletcher of Saltoun, and that eminent man's unlucky measure to *enslave* his countrymen, in order to make them industrious, gave a special value to Paterson's more judicious plan for attaining the same object. Mr Paterson is said to have enjoyed the friendship of his eloquent countryman. He certainly alludes to the enslaving scheme in a passage of the "Proposals." Mr Fletcher states, that in 1699, Scotland was infested by 200,000 beggars, besides the ordinary sick and relieved poor, and that these beggars defied the laws of man, of nature, and of the Bible. They committed enormous crimes; and murder unpunished was common among them. They were only fit, he insists, to be slaves, to be taught industry. He therefore proposes that all people of substance, in town and country, shall keep a proportionate share of these "villains" at once; and he would send 300

or 400 of the worst of them to Venice, to serve in chains in the galleys.*

Mr Paterson, without denying the cost, proposes a very different remedy.

"Since people and their industry," says he, "are the truest and most solid riches of a country, insomuch that in respect to them all other things are but imaginary, we shall, in the next place, speak of the employment of the poor. By way of introduction, we shall here, in the following scheme, not only give the amount of the contribution of the city of Edinburgh towards the relief of the poor for the last year, being 1699, but from them our conjecture what the same might have amounted to in the whole kingdom.

"The contributions," he says, "to maintain the poor of the city of Edinburgh, exclusive of Leith and the Canongate, and other out-parts of the town, and of all hospitals, appropriations, and mortifications as they are called; as also of corporation charities, and all manner of voluntary or concealed charities, which cannot be brought to account, for the last year, being 1699, amounted to no less than the sum of £4552, 1s. 8d. sterling.

"Now, since it is said Leith, the Canongate, and other out-parts are accounted as 75 is to 205, in the common valuations, we shall in this case consi-

*Second Discourse concerning Affairs in Scotland, 8vo, p. 24. Edinburgh: 1698; and, Political Works of Andrew Fletcher of Saltoun, 8vo, p. 144. London: 1737.

der them altogether to be only as one is to three with respect to Edinburgh; and suppose that their contributions to the poor for the year 1699 might have been about £1517, 7s.

"Let us likewise suppose that the hospitals and all other appropriations to charitable uses and corporation charities in the city and out-parts may amount to . . £2000 0 0

"And there is reason to believe that the private charities may be at least one-fourth part of the whole, or as one is to three, which will be about 2689 16 3

"And so that the several sums of

£4552	1	8	
1517	7	0	
2000	0	0	
2689	16	3	

do in the whole amount to . £10,759 4 11

"Now, by the best accounts that can at present be recovered, the city of Edinburgh and out-parts are in value really not above one twenty-fifth part of the whole, or as one is to twenty-four, nor in people above one twentieth part, or as one is to nineteen, with respect to the rest of the nation; so that if we should suppose the whole nation in their contributions to pay in proportion to this part, the yearly sum paid towards relief of the poor would be

or 400 of the worst of them to Venice, to serve in chains in the galleys.*

Mr Paterson, without denying the cost, proposes a very different remedy.

"Since people and their industry," says he, "are the truest and most solid riches of a country, insomuch that in respect to them all other things are but imaginary, we shall, in the next place, speak of the employment of the poor. By way of introduction, we shall here, in the following scheme, not only give the amount of the contribution of the city of Edinburgh towards the relief of the poor for the last year, being 1699, but from them our conjecture what the same might have amounted to in the whole kingdom.

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"And so that the several sums of	£4552	1	8		
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	2000	0	0		
	2689	16	3		
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£268,981, 2s. 11d. But since there are reasons to think that the town of Edinburgh, in proportion to its value, doth contribute much more towards relief of the poor than the rest of the kingdom, we shall therefore suppose the same to be about one-half overrated in this matter; and so as the whole kingdom may in money, or money's worth, pay about £135,000 per annum.

"Notwithstanding which great sums thus expended, it is very well known that the poor of this kingdom, if it may be so expressed, do not half live. Whereas, by this proposal, the poor may not only be decently and conveniently maintained, and perpetually and profitably employed, instead of being, as hitherto, so insupportable a weight upon both the industry and morality of this nation, but, in about four years' time or less, the kingdom may be for ever eased of at least three-fourths of this expense; that is, of the whole, excepting the voluntary charities, which doubtless, one way and another, amount to £100,000 sterling per annum, and is much more than all the other duties proposed to this fund.

"So, were the fund to no other end but for national granaries, or the maintaining of the poor, it would be exceedingly well and profitably given by the nation; but how much better, then, must it needs be bestowed, when not only upon the one, but to answer the ends of both, and likewise of several other national improvements of no less weight and

consequence, and which all of them have certain natural relations to?"

The use of this to extinguish mendicity is then very strikingly developed by Mr Paterson.

"Those dissolute people," he says, "called beggars, are a sort of thieves; for, although they be somewhat more tame and familiar with us, yet are they really but another cut of thieves. By this we mean only such as make begging the whole, or any part of their trade or business. For there is no doubt but one man not only may, but hath a right to beg or desire a favour of another, in a strait or difficulty, or upon an emergency; but that anything of mankind should make this their business, or any part thereof, is not only contrary to justice, but to all good order among men. Indeed, it is wonderful to think that ever anything that looks like, or pretends to be a government of men, but especially of Christians, who pretend to be the best and wisest of men, should allow such a disorder to human society, as a professed trade of begging; especially since *people and their industry not only are the truest and most solid riches of a prince or state, but in respect of them all other things are but imaginary.*

"Instead, however, of so great good as the world had just reason to expect from these governments, commonly called Christian, in the matter of due care and good order among men, and even improvement of human society, beyond what it could possibly attain to in heathendom, we are sorry there is

occasion to say, that although there might be some few of this sort of thieves, skulking up and down in all ages, yet this trade of begging was never introduced but by the corruption of Christianity; in some of whose countries it is a piece of devotion.

"As the rooting out of this evil would be one of the greatest pieces of service that could possibly be done to a country, so it is no easy matter. If, *as some have advised,** *a law were made to reduce those dissolute people back again to slavery*, as with the ancient heathens, in such a case only the strongest and ablest of them would be taken up by particular men; and still the weakest and most helpless would be left to starve, or be miserable in themselves, and a dead weight on the industry of others; so that the evil might thereby be somewhat lessened, but far enough from being rooted out. From the consideration of this, and even from the thing as it appears in the practice in those countries where one man is made another's property, it may reasonably be presumed that nothing less than a national constitution, with the proposed or the like powers and means, can ever effectually redress this disorder. This is not only plain in the reason thereof, but likewise in the practice; since in Holland, and several of the Hans Towns, and other places in Europe, it is only by constitutions and funds expressly adapted and

* Alluding to Mr Fletcher of Saltoun's "Discourse," published in Edinburgh in 1698, two years before the "Proposals." See above, p. 299.

applied, that, nationally speaking, people are found capable of being broken off from their habits of sloth and idleness.

"This is not only the most probable way of rooting out beggary and sloth, but, considering the nature of those proposals, and the dependence things have upon one another, this will be the most profitable method that hath hitherto, or perhaps can be proposed. By this means the whole, whether they be more or less capable, will be equally taken care of, and comfortably and wholesomely maintained; and all who are able to do anything, of what nature soever, will here find the work ready provided for them. And although there is no doubt but they will be a raw and untoward crew at first, yet in time they may be brought into such a method, and put upon such a train of business, as will make it very easy to keep them in order.

"By what hath been done in like cases elsewhere, it may reasonably be expected, that, in less than four years after the settlement of this constitution, there need not be a beggar or other vagabond in the kingdom; and in six or seven years the work of the more able of these people may be brought to be very near, if not quite, sufficient to subsist the whole mass of them, insomuch that after this, voluntary charity, with the produce of their own work, may be sufficient, if not more than enough, for their maintenance. By voluntary charity, we understand only such as is offered or given freely

by the parties, without being moved thereunto by any particular solicitation or object of their compassion.

"Now, for better understanding the benefit this kingdom may receive by the employment of its poor, and promoting the industry of the people, as proposed by this institution, it may be necessary to take notice, that the consumption of this kingdom is supposed to be about £3,000,000 or £4,000,000 sterling per annum, and the number of the people to be 600,000—that one-fourth, or 150,000 of this number, consume above one-half of this general expense, or £1,800,000, or near 4s. 8d. sterling per week, per head—that the remainder, or other three-fourths of this mass of people, do not spend above £1,600,000 per annum, or a little more than 16d. per week per head; so it may be probably conjectured that one-third, or about 150,000, of these may spend about 21d. sterling per week, and that another third may be subsisted at about 16d. per week, but that the last third or number of 150,000 are a sort of people who, we may venture to say, do little more than half live, and do not, one with another, spend above 11d. per week per head;—that the two middle sorts by their industry do not only provide their own maintenance, but likewise contribute the greatest share of that of both the other extremes;—that the people of this lowest extreme, although, as has been said, they little more than half live, yet at least one-half of this is contributed by others; and, if we might venture again to distinguish these

lowest sort of people from one another, we should suppose that one-third, or 50,000 of them, do not gain above two-thirds of their subsistence, the other third not above one-half, and that the remainder do but gain one-third of their expense, so as the whole deficiency may amount to the sum of £168,750.

"Upon considering the reasons of these conjectures, and comparing them with a foregoing computation, whereby we have supposed the nation to be at an expense of £135,000 sterling per annum towards maintenance of their poor, we are inclined to believe that the poor of this kingdom do not in direct expense stand the nation in less than a sum of £135,000, nor perhaps in much more than this sum of about £170,000. But it is to be observed that in this expense we reckon not only what is given in money, but likewise what is given in any other way, since there is nothing can be contributed to their relief but must have a value, let that value be more or less.

"Now by this institution the nation will not only be eased of all this expense, excepting only the voluntary charities, which can hardly be supposed to amount to one-fifth part thereof, but these people who live but at the rate of ten or elevenpence per week, or some at that of less, will be naturally brought in a small time to live at the rate of sixteenpence per week, one with another.

"It is likewise to be observed, that, although there be here supposed to be 150,000 people, who

less or more are a burthen or dead weight on others, yet there will perhaps never be above a fifth part, if so many, of those liable to the public works, or under the direct care of the Council of Trade, since this institution will naturally give life, support, and encouragement to the industry of the whole kingdom, which, all things considered, may be presumed will be nearer twenty than ten times what shall be under their immediate care and direction.

"The encouragement and support that will thereby be given to the industry of the nation may, with anything of a management, be reasonably supposed in five or six years' time to bring this mass of 450,000 people to be able to consume a third part more, or at the rate of two shillings per week one with another; by which time it may likewise be hoped they may begin to be in a condition of laying up somewhat in national store.

"Thus, by this institution, the nation may not only be eased of a dead weight of more than one hundred thousand pounds sterling yearly of direct expense, but these people, who are now the greatest burden to the industry of the kingdom, may be made its principal support, and those who are now the great and principal means of our poverty may become the chiefest cause of our wealth; for these are the hands that must put all that we have before spoken of in motion; and it is only in proportion to their number or capacities that things can be undertaken and done, and therefore as before this institution be introduced it might properly enough be said we have

too many people, yet then we shall be found to have too few.

"From all which, and much more that might be said on this head, it may be reasonably concluded, that, with relation to society, as an industrious man is naturally the most beneficial creature that is or can be in or to the world, so the sluggard is not only a burden to himself, for lazy people take always most pains, but even to the earth he moves on, and to mankind in general, of whom he pretends to be a part; and that in all societies, whether great or small, those who bear rule are highly obliged and deeply concerned, both in justice and interest, to provide convenient and sufficient work and subsistence for those committed to their care, and both by example and correction to oblige them to be industrious."

It is conceived that the history of Scotland for the last 150 years has abundantly justified Paterson's preference of the way of Christian furtherance of industry, by letting the people fairly share its wages, to Fletcher's heathen rule of slavery.

Within thirty years, the change which Paterson called for in the laws and institutions of Scotland on these heads fairly took place. In Edinburgh, by the act of the magistrates in 1731, vagabond begging was suppressed by the provision of means of suitable labour for those who were willing to work for their living, and by the fitting punishment of the idle and profligate. The turning point in this social revolution was Paterson's appeal.

CHAPTER XVII.

"Proposals" continued—Mild laws will lessen crime—Improved prison discipline will reform criminals—Fraud to be punished criminally, and only *fraudulent* debtors imprisoned.

THE following passages have peculiar interest, as anticipations of social improvements scarcely yet adopted among us:—

"Unjust and unequal punishments do not only involve all those concerned in the legislation and execution in guilt and blood, but they are always most ineffectual for the ends proposed; for in all ages, countries, and places of the world, the more cruel and sanguinary the laws, the more barbarous and numerous the rapines and murders. And this is not at all to be wondered at, since not only the well-being, but the very being, of things is altogether founded in justice and right; since the root and spring of this is not at all from time but from eternity;—and 'that justice and righteousness are the bases of Jehovah's throne and dominion.'*

"And as these things are so plain, not only from reason, but even the practice thereof, how strange

* Psalms lxxxix. 14 and xcvii. 2.

must it be, not only to find men who lay claim to a share of common sense and reason, but even not a few of those who pretend to be Christians, expecting the success and duration of their laws, constitutions, and governments, further than they have regard to, or quadrate with justice and equity, and that they answer 'that standard and measure of righteousness, the holy and blessed law of God?'*

"If those who are concerned in making, or executing unjust and unequal laws, would be but serious in matters of such weight as truth and justice are, they might easily be convinced of the true reasons, not only of the weakness, but pernicious consequences of all these laws, which have rather been the effects of men's passions and appetites than of their reason; and have proceeded from violent humours and prejudices rather than from any due respect to justice and right.

"We in this nation have had our part of experience, both of the weakness and pernicious consequences of unjust and bloody laws, and particularly in this matter of the punishment of theft. For had the laws with relation to this been as much founded on reason and due consideration, as they have been on passion, prejudice, and violence, they would not only have been much more effectual, but the nation had been free of the guilt and blood in which, by this means, it hath been involved.

"But since it is the part of these observations

* Isaiah viii. 20.

chiefly to insist on the temporal or political reasons of things, as treating only of matters relating to trade and improvements in this world, we shall not here enlarge further on what is more spiritual in the matter of justice and right, than as an introduction to what of this nature shall follow;—laying it down as a fundamental maxim, that whatever things may, in the times or intervals of their flying from one extremity to another, seem good to poor, weak, and short-sighted mortals; and, however our hearts may be hardened, or our eyes blinded, so as not to see or understand the nature, course, nor the end thereof, yet certainly *that which is most just in its nature is also most beneficial*, not only in respect of the world to come, but even in respect of this—and that of this justice the blessed law of God is the standard and rule.

"Now, as the punishment hereby designed for theft is agreeable to this law, so it is self-evident that it will not only be very effectual, but likewise beneficial to the public; since the thief* will be hereby obliged to restore fourfold, and to work at hard labour for the space of three years; and if he have not to satisfy for the theft, then to be condemned for any time not exceeding six years more; whereby, considering the common strength of body of these kind of people, and the work they may be employed in, they may be capable of gaining little less, if not more, than five shillings per week per

* Exodus xxii. 1–4.

head, one with another—about eighteenpence per head whereof may go to their subsistence, and the rest to be equally divided between the party injured and the Council of Trade. Thus, in nine years' time, a sum of eighty pounds sterling, or upwards, may be gained by the thief; or, at least, by the mass of them in a medium, for or towards satisfaction for the theft, besides the advantage the nation will have in having its people preserved and its industry increased thereby.

"But if such as are nice in the matter of the law of God, should object against that part of the punishment that extends to condemnation of the thief to three years' hard labour, even after he or she shall have made a fourfold satisfaction for the theft, to this it may be answered, that this condemnation to work is not on account of the party injured, who is supposed, by the restitution, to have full satisfaction;—but altogether on the account of the state, which no doubt is naturally obliged, and, by the institution of this national economy, will only take the due and necessary care to see all its subjects well and duly employed. Indeed, were this space of three years proposed for a much longer time, it might be hard; but, since the time is so short, that less can hardly be supposed sufficient to reduce such a sort of dissolute people from their habit of sloth and idleness to that of industry—to unlearn them their trade of thievery, and learn them another, which, instead of being destructive to both, is pro-

fitable to themselves and the public—it cannot in justice be thought otherwise than very easy, and even inclinable to the right, if there be any side in justice, that is to say, to moderation and mercy.

"But if, on the other hand, it shall be objected that some of these thieves will be so stubborn that there will be no breaking them with this work; to this it may be likewise answered, that, considering the several sorts of hard and strong labour the Council of Trade will naturally have for many hundreds, if not for some thousands of people, some of which work will be of such a nature as no man can endure for many years, or, perhaps, months together, we need not doubt but they will be sufficiently in a condition to tame and humble the stoutest and wildest of these thieves and vagabonds.

"And thus, by this institution, our country, instead of being in this case cruel to her young, as hitherto, will become capable of being a tender and indulgent mother; and, instead of not only losing her children, but contracting the guilt of their blood, she may be put in a condition of reaping good fruit from their labours; and afterward, as they return to their duty, of receiving them with open arms. By this means it may be justly hoped, that in a few years there will not be one-twentieth part of the malefactors, crimes, or criminals of that kind to be found that there is at this day.

"Bribery, cheating, designed cheating, wilful bankruptcy, and fraud, are likewise theft; and, so

far from being a lesser or inferior degree thereof, they are the worst and most heinous of all; since these not only break and violate the public faith and trust equally with the other, but likewise the more peculiar ties and obligations among men, and thereby undermine the very foundation of human society and commerce. So that it seems strange that those who first invented the hanging of thieves did not begin with this sort first; and this makes it justly to be suspected that this sort of fraudulent thieves, who are not only the most politic and potent, but generally the most numerous of all, might have the first and principal hand in this in all the countries where hanging has been introduced, and might raise all this dust against the lesser and more skulking sort of pilferers, that, by this means, they, the more modish and fashionable thieves, might be the harder to be discovered, and escape the better in the crowd.

"However it be, since it is certain that this sort of thieves are, of the whole, the greatest pests of human society, if any deserve harder usage than others, surely it ought to be they. But there being no difference made by the rule of righteousness, we shall only say 'that, as there ought not to be any respect of persons in judgment, where the poor should not be countenanced or pitied because of his poverty, nor the rich respected or honoured because of his wealth or power;'* so, if a government re-

* Exodus xxiii. 3; Lev. xix. 15.

solves, in good earnest, to encourage honesty and virtue, and discountenance the contrary by their examples of justice, as well as otherwise, there is no doubt but one example of a potent thief, especially if he be of this sort, will contribute more towards 'the people's hearing and fearing, and doing so no more,'* than that of a hundred sheep-stealers, shop-lifters, and such like. Generally speaking, since the design of the law is equally to hinder the great thieves from hanging the little ones, or from interceding for, or protecting one another—and since here is no man's blood taken—since the punishment is just and easy—and that here is no such bar or tache as either to hinder or discourage a thief of any sort from returning to his duty—it is hoped that, if this constitution be once set on foot, there shall no more thieves, of what sort or quality soever, be suffered to escape the punishment, and that it shall become a discredit little less than that of the theft itself, so much as to intercede to this purpose. And when things shall be thus carried, we shall soon see both the number of the crimes and criminals diminish, and come to be as seldom as now they are frequently found or heard of.

"As the hanging of thieves in all countries where practised, hath been found to be a destructive and unsuccessful piece of cruelty, so is the confounding the fraudulent debtor, which is one of the worst sort of thieves, and the poor and honest debtor to-

* Deut. xix. 20.

gether. By the law of God, creditors are so far from having a right to bury the persons of their poor unhappy debtors in prisons, that they might not take from them anything which was necessary for their subsistence or support."

An enterprise of lofty promise abroad, planned by the writer of this appeal, failed, although his countrymen of all ranks had supported it with great vigour and great sacrifices. The object of the effort was to raise the Scottish people, in character and wealth, to the point which William Paterson sagaciously saw they might well reach. Instead of sinking under the accumulated disasters of the time, he turned to new means of struggle in their favour, and unquestionably succeeded, by the influence of pure intelligence, in calling up a new spirit in his own country; and that good new spirit in Scotland probably had a response in England.

The following chapter exhibits Paterson's skilful management of an exceedingly difficult task. He had to conciliate King William, without sacrificing truth, or palliating the injuries inflicted on the Darien Company and his countrymen at large. At the same time, he had to moderate the frenzied feelings of the latter, and persuade them, when they could not forget such enormous wrong, to forgive it for the sake of the general good. It is believed that few will refuse a warm approval of the principles here advocated in a most delicate conjuncture, or hesitate to admire the manner of that advocacy.

CHAPTER XVIII.

"Proposals" concluded—Justice claimed for the Darien Company—Appeal to King William, and to the Scottish people.

The justice and good policy of indemnifying the African Company for its losses in Darien are strongly urged; and it is satisfactory to know that six years later, at the Treaty of Union, some provision was made for that object. The argument in favour of the Darien Company is fortified by the development of Paterson's favourite topic of devising funds for trading.

"Those who were principally concerned in promoting the establishment and designs of the company might possibly then be much unacquainted with the affairs of this kingdom, both as to men and things, but especially in that of *national improvements; which, for anything we know, have hardly ever yet been made the business or general study of any capable person either at home or abroad.* Perhaps they might be doubtful whether they were capable of bringing the nation to engage in a matter of this consequence all at once, and rather judge it advisable to begin with a part, and so incline them to the whole by degrees. It is possible they might be so very intent upon getting the first possession and footing in so valuable a settlement as was intended, as to postpone the thoughts of everything else, and, as not in the least suspecting the unaccountable treatment and opposition at Hamburg and elsewhere, might have the greatest part of their dependence on a foreign stock of money, which at that time might appear to them the readiest and easiest way of bringing the foreign trade, and together with that, all other national designs about.

"But to leave all these more remote conjectures, let us suppose that, as there are things to be known to-morrow which are not revealed to-day, and as men at best do but know in part, and can only come to the understanding of things by degrees, so, although this scheme be doubtless very imperfect in respect to what it may be brought to in time, yet it is likely that even this did not all present itself to the thoughts of any one or more men at once. Possibly seeing but darkly into these things at first, they might not be so much persuaded of the weight and consequence of the particulars of the whole together—of their connexion with and relation to one another—or of the way and means of putting them in execution, as they might be afterwards. And, upon further consideration, it is likely these were not only the thoughts of some hours or days, but of not a few months, and this after the experience and difficulties of many years; nay, it may be, the rise and progress of some of these thoughts are, in no small measure, due to the very nature, weight, and variety of our

present difficulties and disappointments; perhaps nothing less than the many repeated and various disappointments of our company, the sad effects of the late grievous dearth, the miserable condition of our poor, and, in a word, the great and general disorders in all our national affairs, could have taken so deep an impression, or at this time have occasioned so narrow a search, or so exact a scrutiny, as has already been made into some of the matters contained in these proposals. And, after all, nothing less than the repeated gracious assurances given by his Majesty to concur in everything that can be reasonably fallen upon for retrieving the company, and therewith the nation, and for setting our trade on sure foundations, together with the hope and assurance of a Parliament frankly and generously inclined to all this, could have given the needful life, encouragement, and support to anything like a due prosecution of thoughts of this nature.

"Since, as has been already said, nothing can be more advantageous to the increase and success of the industry of this kingdom, than the effectual supporting and promoting its foreign trade, which hath now been neglected for near, if not quite, an age, it is certainly not only necessary and reasonable that the company be honourably and frankly refunded, and that the nation do likewise add a considerable stock towards the support and strengthening this fund for foreign trade; but, considering the present circumstances and dispositions of men and things,

it would be a wise and politic constitution of this fund, for the nation even to be at the risk of the principal money of that part of the stock belonging to individuals, so as only the interest or forbearance should be at that of the proprietors thereof; that so by this means those who are not willing, or are or may become unable, might not be so oppressed and harassed as hitherto, which hath not only been a grievous oppression to the parties concerned, but a mischievous clog and dead weight on the company in all their proceedings.

"But perhaps to this it may be objected, That, if liberty were given, every one would be for fetching out his stock, and so leaving the country to be alone concerned.

"But to this it may be answered, That were this fund left so precarious that every one might transfer their stock, and have it back again at their pleasure, at a current rate, there might be some ground for this objection, since in such a case there would be high demands of stock, when the company should be successful, or they and the Council of Trade wanted not money, whilst upon every emergency, and when the countenance and assistance of private men should be most wanted, it would be least found. But as this is proposed, the effect would be quite otherwise; since, when once a man transfers his stock, he can never have it back, but if he will have more must buy of another, so that this will only open a convenient door for a few necessitous or discontented

people, either to sell their stock without loss, or at least get their money back again in the method proposed. And all this perhaps will hardly amount to above ten per cent. of the whole stock, and as these discontented people have already been no small trouble, clog, and perplexity to the company and their proceedings, so if they should now be left to sell to loss, this would be a means to continue and entail these kind of discontents and uneasy people on the company, at least during the infancy thereof, if not to after time.

"As this method will open a creditable door to let out discontented people, so it will render the remainder much more fixed and steady than it could otherwise be; since every one will endeavour to keep and transfer to his posterity a concern, where he has a prospect of gain by trade, only from the risk of the interest or forbearance of his capital—the reputation and conveniency whereof, if there be anything of a reasonable management, will always keep it up above the principal money. And as all these public funds are, if it may be so expressed, as so many barriers to licence, and as so much security given by a nation against a revolution of government, so this will be of that quality in a very particular manner; the which advantages will naturally render it one of the best contrived and most convenient funds of that kind and quantity in Europe."

The "Proposals" conclude with the following appeal

to King William to support so wise a system of improvement as was here proposed; and a solemn address to the people of Scotland to turn from their bitter reflections upon the wrong they had suffered, to the more hopeful prospect thus reasonably opened to them:—

"The natural, as well as political concurrence of a prince," says this able writer, "is highly necessary, if not to the being, at least the well-being, of such an infant design as this. His Majesty's hearty and cheerful countenance and royal favour are capable of giving great life, vigour, and tranquillity to an affair of this nature, whereas the least coldness or dissatisfaction can hardly fail of having quite contrary effects. These designs will, doubtless, encounter many and heavy discouragements and difficulties, but especially in their beginning; and if to the natural obstacles that of a struggle in our *constitution* be added, there would be but little hope of success. The more things of this nature are suited to all parts of the constitution of a country, the more durable and happy they may expect to be; but especially might they, both in matter and manner, be made acceptable to the prince, and not seem to be wrested from him. The least discouragement of the sovereign in such an affair will be apt to lie heavy on the progress thereof.

"Therefore, those who would concern themselves to have the grievances of their country redressed, ought, in order to their intended work, in the first

place, to lay aside anything that shall seem like anger, rancour, or resentment, since those passions do not only transport men beyond themselves, and divest them of their reason, but the very appearance thereof gives umbrage to the jealous, discouragement to the more unthinking, and opportunities of advantage to the more designing sort of men.

"It is true, in a case like ours, it is no easy matter to compose the mind and govern the passions; our late unaccountable usage at London, at Hamburg, and in the Indies, the long palliating thereof, and the delay of justice herein, are things hardly to be borne! But whatever the nature of our treatment, or the aggravations may have been, the sense we ought to have of our present condition, of our country, of posterity, religion, liberty, and all that is or can be dear to men, or nations, ought to oblige us in this time of our adversity, distress, and danger to have recourse to the dictates of our reason, and not give way to our passions; but to calm and compose our minds, so as to be capable of advising about and thinking of redress.

"We ought to consider that, as rage and reason are opposite to the nature of one another, so revengeful resentments and redress always were and will ever be inconsistent, that by those means not only private men lose their aims, but even princes and great men lose their crowns and dignities; and thus the true reason why popular struggles, though never so well grounded, come so seldom to good and so often

to mischief, is because men in such cases are often more apt to follow the dictates of their rage than of their reason, and gratify their passions rather than pursue the public good they pretend to.

"In such times the two extremes, the over-cold and the over-warm disposition of man, ought to be equally avoided. They appear to differ as the east from the west; but, like other extremities, they are apt to be transformed into one another. This is not plainer in any thing than in state affairs. We in this country have seen a forty-one produce a sixty-one, and that again produce an eighty-eight. We have found by experience, that those who are violent in everything will be constant in nothing, and have had reason to know that angry men are never fit for business, but least of all in angry times.

"How much, then, is every good patriot concerned equally to avoid the influence of those who may be for adjourning our present redress, and for doing nothing, or at least nothing to purpose, towards retrieving the distress of our company and nation, and of those who would disable us from doing anything by persuading us to grasp at everything, who find many faults but few amendments, or who, from their being for keeping up the present animosities, may be averse to prudent healthy things. But as lovers of their country ought on this occasion to be of a moderate and healing temper, so they ought not to palliate those smaller, but to seek substantial things, but especially seek that the trade of

the nation, now for five years complained about, may be fully settled and secured, as being the only thing capable of furnishing us with regular means, and even disposition for other reformatories.

"We ought not only to begin with *trade*, as that to which this kingdom has the clearest call, but as *part of a thing that at this day is capable of making greater alterations in the world than the sword, and may best enable us to strengthen the hands of our king in this dangerous time*, and put us in a condition of contributing our part to the defence of religion and liberty, instead of being what our oppressors seem to have designed us—their back-door to let in mischief.

"Although heaven and earth call upon us to vindicate our own sure rights, and to take care that this kingdom may be under more tolerable circumstances with our neighbour nations in the next age than it hath been in this, yet the measures to be taken, even with relation to them, ought not to be influencing, but healing, since we are embarked in one common cause—the defence of religion and liberty—in which every good subject must play his part. Let, therefore, our deportment in this matter convince men that we are right, not only in fact, but in point of good conduct and management.

"By this means we may justly expect to shew all the honest, unprejudiced part of mankind, that the dust raised against us and our proceedings hath proceeded partly from self-seeking monopolists, who measure the trade and improvement of the universe

by their own narrow conceits or circumstances, not by the nature of things; and partly from a sort of men wondrous dexterous in making distinctions where they are not, but dull at finding them where they are.

"Our wise and prudent conduct in this matter may convince the good subjects of these nations, that the treatment we have met with hath not only been a sensible loss to Scotland, but to England also: so that the leaders in the cause have been no more friends to the one than to the other.

"The national proceedings of our neighbours have often been bad preparations to us, and ours to them. May we now act as good patriots of the whole of both nations; may this Parliament who, under his gracious Majesty's influence, ushered in the late glorious Revolution, and put us in a condition to redress grievances in a legal way—may they, in concurrence with his gracious Majesty, put the trade and industry of this kingdom on a prosperous foot—may they be honoured with laying the top stone, and finish that glorious work, so as for ever to merit the name of the prudent, the wise, the healing, and happy Parliament."

In order to secure the execution of the system, here so methodically proposed, Paterson would have the council board composed of high officers appointed by the crown, and experienced men elected by certain bodies, of which the African Company was to be one. They were to be paid at a rate becoming their rank; and in order to enforce the discharge of their

duties, they were to be liable to suitable punishment.

That the true authorship of this remarkable book, so distinctly to be identified with the work mentioned in 1700 by Mr John Stewart, should have been transferred from Paterson to another so long ago as in 1751, when the eminent publishers of Glasgow, the Foulises, gave it expressly to John Law, the founder of the Mississippi Company, is quite unaccountable. In Law's lifetime it had not been claimed for him, not being included in an edition of his "Money and Trade," published in 1705, and again in 1720, on both of which occasions it was wished to exhibit him as possessed of great talents, which object would have been promoted by stating this essay to have been his.

The more direct proofs that Paterson wrote the volume are these:—

A copy is preserved in the Advocates' Library, with the words, "Ex dono autoris, W. Paterson," written on the title-page in a hand of the time 1700, and apparently that writing is attested by "R. Blackwood, jun.;" and Mr Robert Blackwood was a director of the Darien Company with Paterson. This writing is erased in the title page of this copy, but the original words, "Ex dono," &c., are *set off* upon the blank page opposite, as shewn in the facsimile.

Entries of the title of the book are to be seen in the catalogues of old Scottish libraries, with the

name of Paterson as its author noted. Such are the entries and notices among the books of Lords Alva and Fountainhall, both well known in Scotland.

Above all, the principles and the style of the book are identical with those of other writings of Paterson, who was in Edinburgh at the time of its appearance, whereas John Law, it is believed, was not then in Scotland; and his known writings differ essentially from this, both in form and substance.

It is unnecessary to accumulate more proof upon so plain a matter, and so much has been offered only out of respect to the reputation of the eminent printers of Glasgow, who first fell into the error, and on account of that error having been adopted by so illustrious a person as Professor Dugald Stewart.*

Against this high authority it is satisfactory to be permitted to set the equal weight of Mr David Laing, who favours the author with a decisive approval of the statement in the text; and, indeed, furnished much of its materials.

* "A book of Mr Law's, 'Proposals and Reasons for Constituting a Council of Trade in Scotland,' reprinted in 1751, by Robert and Andrew Foulis, is lying open before me."—Biographical Memoirs of Dr Adam Smith, Principal Robertson, and Dr Reid, read before the Royal Society of Edinburgh, with Additional Notes. By Dugald Stewart, Esq., F.R.S. Edin. P. 146. 4to. Edinburgh: 1811.

CHAPTER XIX.

1701.

Paterson's new plan of expeditions against Spanish America, in order to counteract the ambitious designs of Louis XIV., adopted by King William.

The decided character of the revolution in the politics of Europe, which followed upon the last act of hostility to England, manifested by Louis XIV.'s acknowledgment of the Pretender, was perfectly comprehended by Paterson. He looked upon it as providential; and he seized upon it not only as a foundation for the revival of his own old design in Darien, but as a step towards an attack upon the false system of the Spaniards, hitherto so long adverse to the civilisation of the western world, and menacing to the independence of Europe. He, therefore, upon this occasion constructed a far larger plan of commerce and colonisation, well deserving of attention in our more auspicious days. The plan was addressed to King William, in a memoir preserved in the Harleian Collection, and here abridged nearly in Paterson's own words. The memoir is introduced in the MS. by a memorial to the king, which refers

in touching terms to the writer's sufferings, but at the same time in a pious spirit of confidence in the success of his contemplated enterprise. That these pieces are from the pen of Paterson will be found, from their internal composition, to be plain. But the identity of several remarkable passages with similar passages in his known works establishes their authorship beyond doubt.

PATERSON'S MEMORIAL TO WILLIAM III.

"To the King.

"Most Gracious Sovereign,—I was once in hopes of being instrumental in laying, not only this scheme, but no small part of the thing contained in the following sheets, at the footstool of your throne.

"And although in this I have been hitherto frustrated by many and different occurrences, yet, after all, it is with the greatest pleasure I now behold the very past difficulties and disappointments, instead of having contrary effects, so capable of being brought only to contribute the more towards the due forming and maturating this noble undertaking for such a time as this, and to be as so many necessary harbingers to prepare and pave the way for the future glorious progress of those victorious fleets and armies, which seem ready to receive your royal call and commands.

"Great Sir, as both worlds, the new as well as

the old, do at this time implore your protection, so I trust the effectual opening this door of commerce, and of more easy access unto, and correspondence with, the ends of the earth, hath been hitherto hidden for so great and unparalleled a conjuncture as this, and reserved by the Divine hand for one of the singular glories of your Majesty's reign.

"And after all my troubles, disappointments, and afflictions, in promoting the design during the course of the last seventeen years, it is now with no small satisfaction I take this opportunity of proposing so hopeful an accession to the dominions and greatness of your Majesty, and wealth of your people, as it is hoped this may one day come to be, as likewise to express the sense I have of the honour of your royal permission, on this occasion, to subscribe myself, most gracious Sovereign, your Majesty's most dutiful, faithful, and obedient subject and servant,

( ).*

"London, *Jan.* 1701."

Then follows—

"A Proposal to Plant a Colony in Darien; to protect the Indians against Spain; and to open the trade of South America to all nations."

"As," says Paterson, "the more direct and immediate consequences of the late union of the crowns of France and Spain in the house of Bourbon give

* The MS. in the Harleian Collection, No. 12,437, is without a signature. The original document has not been found.

just umbrage to all thinking men, so there are others, the which, although, by reason of their distance of place, or various and different circumstances, may, to the common view, seem more remote and less to be apprehended, yet, if not taken in time, and duly regarded, may not only be of equal, but by much the most danger. Of this nature, what presents itself, in the first place, and comes most naturally in view, is the weight and consequence of the Indies; for, if the fruits of those new discoveries of the Spaniards have, within the last two ages, made far greater alteration in Christendom than the sword;—if, notwithstanding all those superficial and faint approaches that have hitherto been made by others, the Indies of Spain be still not only much more considerable than those of all the nations of Europe together, but capable of giving a greater scope to profitable navigation and industry than all the known world besides;—if what other nations have gained or gotten from the Indies within this last hundred years has been rather by the mismanagements of the Spaniards than by any other means;—if things be really thus, then what mischiefs have the rest of mankind not to expect from this new accession, from this conjunction of the people, arts, manufactures, and shipping of France, to the best and most advantageous means of employing and improving them now in the hands of Spain? Wherefore, in order to shew of what dangerous consequence it may be to suffer France and

Spain to new mould and regulate their now joint interest, and to improve those seeds of dominion they have now in the Indies, we shall, in the first place, endeavour to give a brief view of the several interests of the princes and states of Europe in the three other parts of the world.

"In the second place, we shall shew the dangerous tendency of this union to Christendom in general, but more immediately to the trade and dominions of Great Britain, and those of the United Provinces in particular.

"And, thirdly, we shall propose the most proper and effectual ways and means for avoiding this imminent danger.

"They likewise pretend, not only to exclude all other nations from the trade, but even from the very navigation of the spacious South Sea, the which even by what thereof is already known, appears, not only to be the greatest, but by far the richest side of the world.

"As the Portuguese were the first who made the more easterly discoveries in the Atlantic Ocean, so the doctrines of monopolies and exclusions which they had formerly received from the Hanse Towns of Germany, together with their own native presumption and avarice, easily inclined them, not only to think of engrossing the commodities and countries they found, but even the very world itself; from which unaccountable conceits sprang the interruption they afterwards gave to the navi-

gations of the Spaniards under pretence of being the first discoverers of the Great Sea towards the west and south, and that therefore only the Portuguese might justly sail therein. From thence proceeded that new and unheard-of method of dividing the world between Portugal and Spain, whereby, instead of claiming and denominating their properties and dominions from their possessions, or that of their ancestors, and settling and defining their limits by seas, rivers, lakes, mountains, morasses, or other natural or artificial boundaries on the superficies of the ground, according to the uninterrupted practice of all former ages, they now, by a quite other and contrary way, pretended to draw certain imaginary mathematical lines between heaven and earth, and, with an arrogancy more than human, presumed to claim for theirs all that lies between those lines, as if they thereby meant to encroach upon God in heaven, as well as upon men on earth. By this division it is that the Portuguese have since claimed that commonly called the eastern, and the Spaniards the western side of the world; but the hearts of the Portuguese bearing no sort of proportion to those wild and unbounded conceits, it therefore came to pass, that, by restraints and prohibitions on trade, as well as on religion, they have so cramped and crushed their designs, that, instead of an accession of wealth and power, which they so greedily sought, and which they otherwise might have, their acquisitions in the Indies

became first a weakening to them, and afterwards a prey to those nations which had somewhat less presumption, but a great deal more industry than they.

"Although the French were none of the first in undertaking, yet are they not now very far behindhand in the Indies. In America they have Canada and part of Newfoundland to the northward; and, besides a considerable part of the great island of Hispaniola, as likewise of that of St Christopher, to the southward they have the island of Martinique, Guadaloupe, and that of Cayenne, together with part of the coast of Guiana adjoining, with some other islands or rocks of less consequence. In Africa they have some footing in the rivers of Senegal, Gambia, and other places of the west coast; as likewise some places of no great consequence in the East Indies.

"Considering the many favourable opportunities the French have had, and the great expenses they have been at, both in the East and West, within the last fifty years, one might have expected much greater things from them; but, instead of this, even what they have done hath been rather from some unaccountable weakness or oversight of others, than from any good conduct of theirs: so that, whether it be that the genius of nations, as well as of particular persons, is rarely capable of penetrating far, or of making considerable improvements in several great things at once, or from what other cause, we pretend not here to determine; but it is plain that

this potent nation, which now for more than half an age has not only come up with, but outstript others in several things—but especially in the arts of war, intriguing, and taxing — has been far enough from having the same success in matters of trade, and in designs to those more remote places of the world. So it is hoped that Almighty God hath better things in store for the rest of mankind than can possibly consist with a measure of knowledge and capacity suitable to the opportunity now in their hands, by the means of this their new conjunction with Spain and Portugal.

. . . . . "The main acquisitions of the Dutch are in the East Indies, where, *if they have not taken the best*, yet are they doubtless come very near to the next best course; and, as they have therein outstript all other nations in Christendom in good and reasonable institutions for the increase of trade and dominion, so their success has been answerable; since they have thereby been enabled to settle potent colonies, make many and great conquests, and to erect a mighty empire in those remote regions, where they have under their command mighty fleets and armies, capable of controlling great potentates, shake kingdoms, remove kings, and give laws to the eastern world; and all this not so much at the labour and expense of their own, as that of other people. . . . . .

"The main and most valuable concern of this kingdom in the Indies is the western plantations,

the which, as they have been of no small advantage for near half an age, so are they now, in case of a rupture with France and Spain, capable of being rendered the most growing, vigorous, and influencing interest that is or can be made in the Indies. These plantations, which have already contributed so much to the wealth and support of this nation, and at this time look as especially prepared and directed by the Divine hand as harbingers to prepare the way for so great a work as seems now to be ready and ripe for execution,—have not, as some have vainly imagined, sprung from the deep contrivances or designs of any one, or a party of men, but from various causes, at several times, and, to say the truth, rather from our own or other people's weakness, than from real virtue or good conduct in the preceding age. Our northern settlements have for the most part had their rise from our contentious broils on the score of religion, state affairs, or both; and although our more southern plantations sprang from the same, or very like causes, yet they owe the great and principal part of their success to the Netherlanders' loss of the Brazils to the Portuguese about fifty years ago.

"This brings us naturally to the second head, which is to shew the dangerous tendency of this new union to Christendom in general, but more immediately to the trade and dominion of Great Britain, and those of the United Provinces in particular.

"As an introduction to this second head, and for

the further clearing of what is to follow, we shall, in the first place, endeavour to give some of the principal reasons why the Spaniards, by means of their Indies, have not, long ere this, been enabled to draw and attract to themselves the greatest part of the wealth, trade, manufactures, navigation, and, consequently, of the people and power of the world. It will easily be concluded that the Spaniards, for these two ages past, have had in their hands the most easy and natural means of becoming masters of the world, of any people that ever were, when it shall be duly considered that the Indies of Spain have, in effect, produced at least two-thirds of the value of whatsoever both Indies have yielded to Christendom; because the commodities produced by the Indies of Spain are, generally speaking, the most staple and current of all others.

"Since, also, not only the trade, but the very Indies are capable of vast improvement, because the Isthmus of America is not only the natural centre of the west, but easily to be put in a state of being that of at least two-thirds of the trade and treasure of both Indies; and since the settlement and possession of these, with the port of Havannah on the Island of Cuba, is capable of rendering all other acquisitions unprofitable and unsafe, excepting only as by an understanding and connexion with them; then by comparing the price of labour, edibles, and European commodity in the Indies of Spain, with what they are in England and Holland, there will

be reason to suppose that, in a hand only as industrious as that of the English or Dutch, the Indies might, since their first discovery, have produced nearly treble the quantity of Indian commodities and growths as they have yielded to Europe.

"So, notwithstanding the lazy, negligent, and untoward management of the Spaniards, yet their importation of gold and silver only has been capable of sinking the value thereof; and, consequently, to enhance the price of labour and staple commodity here in Europe from one to five, and to increase the navigation and shipping thereof as near, if not quite to this proportion; and not only so, but to raise the revenue of most of the provinces and states near, if not quite, ten to one of what they were before the year 1500. Therefore, it may justly be assumed that, with any thing of a tolerable management, the Spaniards could not have failed to be much more than in a condition not only to conquer, but even to buy what was valuable of the rest of Christendom; and that it has been rather by the more immediate hand of Almighty God than by any human foresight, prudence, or by reasonable conduct of those concerned, that not only Europe, but the most valuable part of the world, has not long ere this been brought to submit to the yoke of Spain.

"But, to come closer to the matter, had Charles the emperor, and Philip his son, instead of setting out upon the principle of their execrable Inquisition and an exclusive trade, founded their acquisitions in

the Indies and elsewhere upon the like brave, extensive, and generous maxims with the great King Henry the Fourth of France, and by granting general naturalisation, liberty of conscience, and a permission trade to the people of all nations on reasonable terms, they might, doubtless, have gained that which they aimed, or at least said they aimed at, not only without hazard and difficulty, but with ease and security in every step they took.

"But quite contrary to all this, the Spaniards, by their too eager pursuit, instead of overtaking, have quite overrun their game; and the monopoly of those before unheard-of and unequalled mines in the Indies being added to that of their souls in Spain, instead of enriching them, as they so greedily designed, hath contributed both to heighten their presumption and avarice the more, and to cramp and enervate their industry to such a degree, that most of all their bulk trade, consequently their shipping, mariners, and manufacturers, have been lost to the English, Dutch, and others, whose work and labour are incomparably cheaper than theirs, and vastly below the produce of Indian mines. Thus, the Indies, which, but indifferently managed, might have made the Spaniards the greatest and richest people that ever were, by mismanagement and wrong directions have not a little contributed to their ruin. For by their prohibiting any other people to trade, or so much as to go or dwell in the Indies, they have not only lost those trades they could not in this manner profit by,

grasp, or maintain; but they have depopulated and ruined their own country therewith:—insomuch that, properly speaking, the Indies may be said rather to have conquered the Spaniards, than that they have conquered the Indies. By permitting all to go out and none to come in, they have not only lost the people which are gone to that far distant and luxuriant region, but the remote expectation of so vast advantage hath likewise rendered those that remained almost wholly unprofitable and good for nothing; for there is now-a-days hardly a Spaniard of any spirit but had rather risk his person at an adventure to the Indies, then hazard the staining his gentility by the work and industry of Europe: and thus, not unlike the dog in the fable, the Spaniards have in a manner lost their country, and yet not gotten the Indies. People and their industry are the true riches of a prince or nation, insomuch that, in respect of them, all other things are but imaginary. This was well understood by the people of Rome, who, contrary to the maxims of Sparta and Spain, by general naturalisations, liberty of conscience, and immunity of government, not only more easily, but likewise much more advantageously and effectually conquered and kept the world, than ever they did or possibly could have done by the sword.

"Thus, as in some sort of distempered bodies, where the nourishment feeds not the patient, but the disease, and where the stronger and more cordial is still the more dangerous, so this immense wealth of

the Indies, which otherwise might have given strong and wholesome nourishment to the body politic of Spain, by misapplication hath proved only oil to the flame of their more than inhuman Inquisition. As to the destruction, if not of the greatest, at least of the best part, it hath chiefly been this monopoly of their souls that has thus depraved the religion, perverted the morals, and depressed the genius of the remaining Spaniards; so it is to their before unheard-of kind of monopoly of the Indies they owe the strengthening their presumption, and weakening their industry, to such a degree, that the freights of shipping, and consequently all other things relating to the navigation of Spain, and the North Sea countries of America, are at this day at about four times the rate of those in England and of the United Provinces.

"Thus, whatever some unthinking and misinformed persons may otherwise suppose or guess at, yet it is manifest it hath only been from accident of the unaccountable mismanagement of the Spaniards that any of the nations of Europe, worth looking after, have been left in a condition to preserve their liberty, or of gaining ground in the points of manufactures, navigation, and plantations. And certainly it administers no small cause of wonder that the best and most capable spirits of Christendom have hitherto been so unaccountably stupid, so dull and little concerned in a matter of so vast weight and consequence, that none of those we

commonly call the politicians of the last two ages have been at any tolerable pains, or expense, to search into the source and original of this violent evil, this negative kind of destruction, introduced into the rest of the world by their not only new, but new kind of discoveries in the Indies;—that our ancestors, like so many intoxicated fishes and birds in a maze, should so long sleep upon this precipice, and either not think at all, or think themselves secure with this razor at their throats, so quietly and unconcernedly to see Charles the emperor, and Philip his son, even by the untoward way they went to work, from those unparalleled mines within six or eight years to import gold and silver sufficient, not only to conquer, but, by good directions, even to purchase the very property of the rest of Europe;—to suffer Spain, by means of her Indies, during the course of more than an age, besides what they have done in America, to put the rest of Europe to the expense of so many millions of lives, and so many hundred millions of money;—and that it should be in the nature of the rest of mankind still remaining, especially of this nation, within the last fifty years, when it was plainly so very much in their power to make it otherwise, calmly and implicitly to run the risk of the rising of some great prince, or, perhaps, of some considerable subject of a suitable genius, or other like accident, among the Spaniards, so to new model their Indies, instead of being so much a dead and insupportable burthen and weight

to themselves, to become, not only their firm and permanent support, but a most tempting and effective bait to their neighbours, the which, to all human appearance, could not but have had the designed effect!

"But as, when Almighty God, in his providence, will deliver a people from the dangers that attend so fatal an infatuation as this, mankind are commonly awakened, either by some excellent or capable person, raised up for that purpose, or by some very unexpected and awakening providence, so it is hoped our statesmen and politicians who, not many months ago, would have reckoned it altogether absurd in any one to expect, or as much as dream of, this late formidable conjunction of France and Spain, will now be brought to account the study of matters relating to trade, navigation, discovery, and improvement in the world, worthy of their regard. And as an incitement and invitation beforehand, we now venture to assure them that, when they shall begin once to give it a reasonable thought, they will quickly find there is somewhat more, and quite otherwise, in the mainsprings and principles of trade and industry, than only to manage a little conceit or selfish intrigue, to encourage and procure a monopoly, exclusion, pre-emption, and restraints or prohibitions;—to tax the nation for encouraging the exportation of corn when cheap, but to discourage its exportation when dear;—to settle the price of corn, salt, and such like;—raise or force the value, name,

or interest of money;—to restrain, prohibit, and disjoin, not the industry of his Majesty's subjects with other nations, but even with respect to one another. They will then find that all these, and many more pretended encouragements, are so far from the things they are called, that they are only intrigues to make private advantage from the ruin of the public, and arise from the mistaken notions and conceits of unthinking men, who neither have temper nor allow themselves time or opportunity to consider things as they are, but only take them as they seem to be —a sort of presumptuous meddlers, who are continually apt to confound effects with causes, and causes with effects; and not to measure the trade, or improvement of house, family, or country, and even that of the universe, by the nature and extent of the thing, but only by their own narrow and mistaken and mean conceptions thereof; so they will be quickly convinced how much the last two ages have not only suffered, but of the danger Christendom has been in, and the needless expense they have been put unto by the reason of the want of the due sense and knowledge of the effects of the importation of gold and silver and other wealth from the Indies;—and they will easily be capable of seeing what Europe, and especially the trading part thereof, may justly expect, if they shall be so stupid and insensible as to let the house of Bourbon unite the purse of the world to the sword of France.

"But in hopes that the surprising occasion will

now sufficiently awaken those concerned, and give them an inclination to dive deep and look far, and to be no more for putting far away the evil day, or for any skinning over this dangerous sore; but quite otherwise, for the future to spend a little of their time and thoughts in considering where, and of what nature, the principal support of this consuming and destructive Hannibal is,—and, like the 'Great Scipio,' to go or send to the fountain-head, and then to give the decided blow,—we shall come now to speak of the most proper and effective means for avoiding this imminent danger; and therein shall first consider, not only what those two combined nations have in their power, but likewise the steps they may take if they should now be able to patch up a peace, and therein preserve their respective interests in the Indies wholly and entire.

"Could we reasonably suppose that the French and Spaniards have capacity, inclination, or both, all of a sudden so much to change their measures from worse to better, as to lay aside their *mitred* and *booted* apostles, and instead thereof grant but a tolerable ease to tender consciences; and, instead of an exclusive trade, and heaping monopolies and impositions one upon another, to grant an easy naturalisation to the merchants, manufacturers, and mariners of all nations, and add to this a permission trade upon reasonable terms; and to crown this work, and the more effectually to allay all jealousies and suspicions for the present, to seem very free in parting with

some of the most remote corners of their dominions in Europe, under the usual pretence of an ardent desire and real inclination to continue peace; it is very much to be feared that this or the like bait would easily take, and that so great a present prospect of advantage would so blind the eyes of those who have the influence, as to make them altogether insensible to future danger; and not a few even of those who are counted our brightest men would think they had done or gained wonders;—so that in this manner France and Spain could hardly miss of gaining the ascendant in point of trade, manufactures, and navigation, and of time to regulate, fortify, and secure their interests in the Indies, so as quickly to be in a condition of putting what terms they please on the rest of mankind.

"But since such great and unwieldy societies of men and considerable states and nations, especially so very much depraved as the Spaniards are, and Portuguese too, and the French now begin to be, are not easily brought to make so great and fundamental reforms, especially at once; and as their past stupidity seems to have proceeded very immediately from the hand of God, whose first step to destroy or disappoint a people is usually to harden their hearts and blind their eyes,—it is hoped Almighty God hath better things in store for this age and posterity than can reasonably be expected from such vast effects of the new union. Still it must be confessed that this fatal conjunction hath laid open so many ways to

ruin Europe, that in all appearance nothing less than the utmost foresight, care, and diligence can possibly prevent it; however, in order thereunto, and by way of caution to those who are principally concerned, we shall endeavour to represent the steps and methods those combined nations are the most capable of, and most likely to take."

The successful efforts of Cardinal Alberoni, a very few years after the publication of these papers, to restore the greatness of Spain, might well have verified Paterson's views, had that able ecclesiastic been a layman, and so become allied by marriage to some Spanish grandee; or if, instead of being an Italian, he had been born a Spaniard, and so his patriotism no subject of suspicion to any portion of the Spanish people.

CHAPTER XX.

1701.

Paterson's new plan of attack upon Spanish America concluded.

PATERSON next treats of the policy likely to be pursued by France, with the new mastery of Spain and the Indies, in furtherance of the ambitious designs of Louis XIV. both in *peace* and in war; and this policy, he insists, will be more crafty, and therefore more dangerous, than the repulsive system of the kings of Spain, as it might mislead the English and Dutch by the pretence of giving them "some scraps and crumbs" of the vast Indian trade, from which they were heretofore excluded.

"But," he exclaims, "better things are hoped for. Seeing that Almighty God, who hath suffered France and Spain to have so much means and inclination to lay foundations for the destruction of the rest of mankind, has not likewise given them suitable hearts and a proportionable measure of understanding,—it may be hoped that He will now begin to raise up and awaken some capable persons and spirits to forewarn and make Europe sensible of the danger it is at present in; and that, in a more particular manner, this kingdom will now be sufficiently awakened and stirred up to take the seasonable care that our trade and navigation to the Indies, which hath been gained rather by accident than good conduct, may not be lost by the like occasion;—to look and seek further, and not unconcernedly to stand still, until the trade, navigation, manufactures, home industry, and, consequently, the nation, shall begin sensibly to decline, instead of being further enriched by their navigation with, and interest in, the Indies, until there shall be nothing left for them to do in America but to plant sugar and tobacco for their own consumption, and even that at a dear rate, until others shall have got the start and ascendant so far as to make it altogether impossible for this nation to recover itself, till the disease be past a remedy and all possibility of a cure.

"This," he continues, "brings us naturally to the third general head, which relates to the most proper ways and means for securing ourselves, and depriving those our rivals of this dangerous handle.

"And for this nature hath sufficiently provided; since all that is most valuable in the Indies, or Indian trade and navigation, may be better and more effectually secured, at less than a twentieth part of the expense of men and money, and but in the well-ordering and security of only two or three, than by so many thousand posts and places as the Spaniards have hitherto pretended to secure, guard, and possess."

Which consideration opens a minute geographical survey of all the *passes* from the Atlantic to the Pacific Ocean; No. 1. Chagre, on the line of present railway to Panama. 2. The Port of Conception, about 100 miles east of Chagre. 3. Tubugantee, or Caledonia, the Port Escoces of the modern maps. 4. The Gulf of Uraba, or by the River Atrato. 5. Cacarica and Gulf San Miguel.

To these lines of communication from ocean to ocean, across the Isthmus of Darien or Panama, there is added a notice of the ways by Cape Horn, by the river La Plata, by Acapulco from the Gulf of Mexico, and "others that may be made, but which are incomparably less easy."

"And, doubtless," adds Mr Paterson, with his usual sagacity, "were the design of this proposal either for the thing as hitherto practised, or even for refining considerably upon exclusive ports and trade, all that we have or can say of the conveniences of the one pass or port above another would be but little available; for when the monopoly and management, the price and value of the navigation, labour, and other things, should gradually come to be raised to double, or, as the present case of the Spaniards, to more than a quadruple of what, by a good and prudent management, they need be, then, doubtless, others might and would have the same success against us in the West, that the Dutch have had against the Portuguese in the East. *A total exclusion, or exorbitant duty or difficulty, would, in such a*

case, gradually eat or break through stone walls. The thirst of gain, and temptation of so great advantage, would of course make men not only improve to the utmost what is already known, but likewise so exert themselves in finding out new and before unthought-of discoveries and inventions. Instead of such unwieldy ships as the Spaniards now use, they, although at much more trouble and greater expense, would make and preserve sharp, and well-built, and windwardly ships and vessels, and, by beating up to the windward passage or passages, be able to avoid the danger from or by the reason of an enemy or rival, possessed of the port of Havanah, which they might otherwise expect attending at the entrance or in the passage through the Gulf of Florida. Also, to avoid those or the like dangers, they might find it worth while to sail through the Straits of Magellan, or round Cape Horn, and encompass not only America, but, if need were, *the world.* The greatness of the prospect might move and enable them, not only to encounter the difficulty and hazard of long and dangerous voyages by sea, or travels by land, but even to turn the course of rivers, drain lakes and morasses, to dig or blow up the very rocks and mountains, or as, (it is pretended) *Hannibal* did, invent a new way or ways to melt them.

"But, quite contrary to all this, not only no occasion is proposed to be given to tempt men to such extraordinary thoughts or proceedings, but the causes of such alterations as might otherwise be

expected, from force, envy, or necessity, are designed to be altogether taken away, since the duty proposed will only be some small consideration towards maintaining and securing the ports, and for guarding the seas; and, on the whole, will be so far from being one-half, that they will not be, nor ought to be, at any time to exceed one-third part of the expense and danger of these roundabout passages or voyages, and such as, for the payment thereof, it will never be worth while to make any difficulty to shun or avoid."

It is then proposed to seize the Isthmus of Darien or Panama, with Carthagena and the Havanahs or Cuba; and "after having possessed ourselves of these doors, of what the Spaniards use to proudly call their king's summer chambers, or, more properly speaking, the keys of the Indies and doors of the world, the passes between the seas and of the Gulf of Florida, we endeavour to secure the same to posterity *by breaking to pieces those unheard-of prohibitions and exclusions in all those places of the world.*

"Then we were not only to grant a permission trade to the people of all nations upon easy and reasonable terms, but likewise, by means of those staple ports, and of our command of the sea, we order matters so as may best shake and overturn the present tyranny in the Indies, that the natives everywhere may get an opportunity, and *be induced to set up for themselves, and be for the future enabled to maintain the freedom of their governments and trade, under the glorious and easy protection of his Majesty.*

"The permission to trade to and at our staple ports was settled and established on the following terms that is to say, That a duty of not exceeding five per cent. of the value of their importations be paid by all subjects or natives; 2dly, Such aliens as were allies, to be admitted to trade upon paying a duty not exceeding five per cent. of the value of their importations, over and above the like duty of five per cent. on the exportation; and, 3dly, All such aliens as were not allies might be permitted, upon payment of five per cent. on the value imported, as likewise a duty of not exceeding ten per cent. of the value exported from the said ports.

"These free ports were also to be neutral in future wars.

"Scotland and Ireland were to be admitted into this trade, and all other benefits of the new settlements.

"A national Council of Trade was to regulate the whole, with a *public stock* for general objects.

"*Since the experience gained, and discoveries made, in the late expeditions and attempt of the Scots, might, doubtless, be of great advantage and use to any future attempt of this nature, it was proposed that their loss thereby might be refunded out of the success of the design, as not only an act of justice, but of the greatest prudence, and capable of giving entire satisfaction, and effectually to gain the hearts of that people in this juncture.*"

After expatiating upon the great advantages of

the proposed acquisitions in Spanish America, and upon the value of the free trade to be established there, with a scheme of moderate duties, Paterson concludes:—

"There will be herein more than means sufficient for laying the foundations of our trade and improvement as large and extensive as his Majesty's empire, and to order matters so, that the designs of trade, navigation, and industry, instead of being like bones of contention, as hitherto, may for the future become bands of union to the British kingdoms; since here will not only plainly and visibly be room enough for these, but, if need were, for many more sister nations. Thus they will not only be effectually cemented, but, by means of these store-houses of the Indies, this island, as it seems by nature designed, will of course become the emporium of Europe. His Majesty will then be effectually enabled to hold the balance and preserve the peace among the best and most considerable, if not likewise amongst the greatest part of mankind, from which he hath hitherto principally been hindered and disabled by the mean and narrow conceptions of monopolists and *lucksters*, who have always, and, if not carefully prevented, will still be presuming to measure the progress of the industry and improvement of the very universe, not by the extent and nature of the thing, but by their own poor, mistaken, and narrow conceptions thereof.

"Finally, herein and thereby it will be manifest

that *trade* is capable of increasing trade, and money of begetting money to the end of the world.

"The isthmus of America is in healthfulness and fruitfulness inferior to few places in the Indies, as naturally producing plenty of gold-dust, dye-woods, and other valuable growths, vast quantities and great variety of the best timber for shipping, and is capable of yielding sugar, tobacco, indigo, cocoa, vanilla, annatto, cotton, ginger, and the like, of the best, and in very great abundance. Above all, being an isthmus, and seated between the two vast oceans of the universe, with excellent harbours on each side, between the principal whereof lie easy and convenient passes between the one and the other sea; these ports and passes may be easily secured and defended by eight or ten thousand men against any force that can possibly be found in those places. They are not only the most convenient *doors* and *inlets* into, but likewise the readiest and securest means of keeping the command of the spacious South Sea, which, as hath been already said, as it is the greatest, so even, by what thereof we already know, it is by far the richest side of the world. Those ports, so settled with passes open, through them will flow at least two-thirds of what both Indies yield to Christendom, the sum whereof in gold, silver, copper, spices, saltpetre, pearls, emeralds, stones of value, and the like, will hardly amount to less than thirty millions of pounds sterling yearly. The time and expense of the voyage to China,

Japan, and the richest part of the East Indies, will be lessened more than a half, and the consumption of European commodities soon be more than doubled, and afterwards yearly increased.

"The addition of the port of Havanah to those ports and passes of the isthmus will render this design altogether complete. The Havanah is capable of being defended with five or six thousand seasoned men ashore; and the situation thereof upon one of the best and greatest islands in the world, in the centre between the northern and southern parts of America, and thereby making a *pass* of the greatest consequence, and a natural bridle to all that great inlet commonly called the Gulf, and no small awe to the navigation of the whole bay of Mexico. With a fruitful soil and healthful climate as any in the Indies, the ground and the soil of this island being added to that of the isthmus, if need were, might easily be made to produce a greater quantity of sugar, tobacco, indigo, cocoa, and the like Indian growth, than ever can possibly be demanded or consumed by the trading world. *Thus these doors of the seas, and the keys of the universe, would, of course, be capable of enabling their possessors to give laws to both oceans, and to become the arbitrators of the commercial world, without being liable to fatigues, expenses, and dangers, or of contracting guilt and blood, like Alexander and Cæsar. As in theirs and all other empires that have been anything universal, the conquerors have at last been obliged to*

seek out their conquests from far; so the force and universal influence of those attractive magnets are such as can much more effectually bring empire home to their proprietors' doors."

This principle of just progress is capable of universal application. Paterson did not deny that aggressive war may be waged in case of need, as here he advised it upon Spanish America, to suppress the hostile policy of ages, and to avert an organised attack upon the independence of Europe. But he maintained, with reason, that friendly and free trade is, for the most part, a safer way to national greatness than aggressive wars and conquests. We, on the contrary, violating at once our fundamental laws and the dictates of Christianity, have too long preferred a career of violence abroad, with the result before us of the desolation of heathen India; whilst, in the last century, our fathers, in aiming at a like domination over Christian Englishmen in America, gained only disgraceful defeat. At this moment, too, an unscrupulous party among us, against every warning of history, is following up, in wrong of the Chinese, violent designs fostered by intrigue, in which success must be equally discreditable and dangerous to ourselves.

CHAPTER XXI.

1701–2.

King William's friendly reception of Paterson in London—The extreme imprudence of the opposition to the Scottish enterprise in America—The danger of the excitement in Scotland—The changes in King William's policy upon the continent—Measures proposed by Paterson to King William, to meet the crisis—The death of the king—Its influence upon Paterson's fortunes.

PATERSON'S conduct, on this occasion, had the merit of telling upon a crisis of extreme difficulty; and the advantage of being appreciated by King William, as calculated materially to lessen that difficulty. If tradition may be trusted on the point, he was received by the king, in London, with confiding familiarity, by no means inconsistent with the manners of the times; and even with his Majesty's simple character, sometimes incorrectly described as cold and austere. Contemporary chroniclers place, in strong colours, the alarming state of public affairs in the last year of the reign of King William, and at his decease. New "revolutions" were looked for; and nothing seemed too "wonderful" to be expected, when the death of the King of Spain produced universal disturbance in Europe; and when, at the decease of James II., the acknowledgment of the Pretender by Louis XIV. roused all England, as one man, to resist the pretensions of France.* During these events the hired writers of the English ministry persevered in publishing the most indecent lampoons against the Scots, who were too angry to treat the libellers with the contempt they deserved. To the prose of Hodges, above quoted, may be added, as a specimen, the doggerel poem, set forth at that very crisis, called "Caledonia, or the Pedlar turned Merchant,"† in which the leading events in the career of Paterson are travestied, in much of the bad language of Hodges' tract; and, if possible, in a worse spirit. The insults were the more poignant, as they were directed against a people bent with enthusiasm, to brave their neighbours' opposition, but not unconscious of their own inexperience.

The whole heart of Scotland was so entirely in duke nterprise, that upon news of the Darien settlemer being actually formed reaching Edinburgh in Mach 1699, the event was celebrated with "extravagant" rejoicings, says the chronicler. Young and old, rich and poor joined in declaring loudly their delight, that at last their country had opened a way to wealth and great honour. Thanksgiving was

* The Present State of Europe, in the Historical Mercury for January 1702. 4to, p. 3. London.

† 4to, p. 30. London: 1700.

made in all the churches; when, as now, the ministers of religion were one of the nation's voices; and at a public graduation of students in the University, the professor of philosophy, it is related,* pronounced an harangue upon the great intelligence. The right of the Scots to the new land was stoutly maintained in the academical thesis, and readily won the assent of the sanguine youth, who looked forward to their coming career in America. The same spirit for adventure beyond sea prevailed, that prompted the Wellesleys, of a later generation, in the English universities, to the recital of their poems upon the discoveries of Captain Cook in the Pacific, and upon the conquest of India. But upon this occasion Scotland was under the guidance of a man who proposed to his country and to the world, in the victories of peace and free commerce, a career of purer glory and greater profit than the most brilliant conquests could open to their arms.

The undeserved disappointment of these high hopes, in a few short months, could but provoke extreme indignation. *The loss of thousands of men, and hundreds of thousands of pounds of money,* was overwhelming. To injury was added fresh insult. The English minister, with great imprudence, not satisfied with hostile measures against the Scottish colony, in the proclaimed denial of its essential supplies from the West Indian plantations, employed, as already stated, a second pen to libel a people

*Arnot's Hist. of the University of Edinburgh, 8vo, p. 141, 1816.

united to England for a century. King William, however, was alarmed at the violence of public feeling in Scotland; and saw also that, in the new condition of affairs, it would be suicidal to have enemies in a country from which he had received most material support. His Majesty, although mistaken in his negotiations with France, and perplexed by the extraordinary difficulties which led him to enter upon those negotiations of 1697, 1698, and 1699, was long thoroughly convinced of the value of settlements in America; he had, even in early life contemplated a retreat from Holland, if crushed by Louis XIV., to Dutch India, and was well prepared to appreciate views so earnestly submitted to him, in furtherance of colonial aggrandisement.

Under these circumstances, Paterson's decision of character and intellectual resources, with his sincere *Scottish* principles, gave very great importance to his support of the *Williamite* party in the North; and the terms in which the high commissioner, the Duke of Queensberry, mentioned him as a sincere lover of the king's government, in "Church and State," was a sure guarantee of his integrity.

Paterson's own account of his intercourse with King William at this critical period is contained in the following dialogue at "The Wednesday Club" of 1717. The letter to the Lord Treasurer Godolphin, given in it, had appeared before, in 1711, in Boyer's "Political State of Europe." The account is here introduced by the chairman's call of the mem-

bers of the club to order, from a smart digression they had entered upon concerning political parties. The narrative is as follows :—

"To order, to the point, gentlemen," said Mr Jones, from the chair. "How did King William's affairs, particularly that main one of the public credit and money matters, go after the peace of Ryswick?"

"The exorbitant interests, premiums, and discounts were still kept on foot, notwithstanding the peace," said Mr May, "so that when my surviving friend, who had been originally instrumental in framing and promoting the Bank of England, returned home in the month of April 1701, he, to his no small surprise, found the public credit and things of that nature, after near four years' peace, still on as bad a foot as he left them in January 1695, the redressing the ill state of the coin only excepted. Other things had been, and still were, suffered daily to go from bad to worse.

"My friend soon after his return," continued Mr May, "was particularly desired to pay his duty to the king, who was graciously pleased to admit him, when alone, where he had an opportunity, among other things in general, to represent the ill state of the public credit and revenues, with the principal causes thereof.

"The king received his representations very well, ordered him to put these, and such other things as he thought proper, from time to time, in writing, and to lay them before his Majesty.

"After this he had frequent opportunities both in word and writing to represent to the king the principal disorders of his affairs, and the proper means to redress them.

"But the demise of that great prince soon after prevented the effects, which otherwise were very hopeful.

"These things in substance," continued Mr May, "were near seven years ago again represented by my friend by way of letter to one then in power, and also communicated to others of consequence; a copy whereof I have now in my hand, and desire it may be read."

"Then Mr May delivered the said copy to the secretary, by whom the same was read, and is as follows, viz. :—

"In the last months of the life of that great but then uneasy prince, I had access to him, when, finding him in much perplexity and concern about the state of his affairs, I took opportunity to represent to him that his misfortunes did not so much proceed from the variable tempers and humours of the people, as some pretended, but rather from the men of his own house, or those that he had trusted with his business, who either, for want of capacity or experience, or that they preferred themselves to him, had brought the affairs of the kingdom into such confusion as made his subjects uneasy, and now, at last, instead of removing the causes of complaints, had presumed to employ his treasure and authority to silence the complainers.

"That, as matters stood, there were no reins of government, no inspection or inquiry into men's conduct, every man did what he pleased, for nobody was punished, nor indeed rewarded according to merit, and thus his authority was sunk, and his affairs in the utmost confusion.

"He owned this, but asked for remedies; upon which I proposed—

"That, in the first place, he should put the management of his revenue on a right foot, without which all other remedies would prove ineffectual.

"That the first step towards reforming his revenue was that of retrieving the public credit, by making provision of interest for all the present national debts, and taking care that, for the time to come, supplies be so granted as to prevent all further deficiencies.

"That the course of the treasury and exchequer be so regulated, both as to the receipts and payments, as to render it easy to be understood, and so certain and punctual as to leave no room for frauds and ill practices in the time to come.

"That, in order to this, a method of inquiry and inspection, from time to time, into the behaviour of all men concerned in the revenue be laid down, and nicely executed. Thus, I shewed him, that he would quickly get out of debt, and at least a fourth part of the revenues would be saved hereafter.

"The next thing I proposed to him was—

"The seizing upon the principal ports in the

West Indies, by which he might be enabled, not only to carry on the war at the expense of his enemies, but open and secure a direct trade for ever betwixt those rich and vast continents of Mexico and Peru, and this kingdom; I added, that to secure the Spanish monarchy from France, the true way was to begin with the West Indies, since it was more practicable to make Spain and the other dominions in Europe follow the fate of the West Indies, than to make the West Indies (if once in the power of France) follow the fate of Spain; besides, that France would thereby be enabled to carry on the war, by the bullion and other wealth of the West Indies.

"The third thing I proposed, was—

"An union with Scotland, than which I convinced him nothing could tend more to his glory, and to render this island great and considerable.

"The fourth thing I proposed, and which I told him was to be done first, in order to the restoring his authority, and shewing to the world that for the time to come he would no more suffer such a loose and unaccountable administration, as his being a stranger to men and things here had forced him to wink at hitherto, was—

"A present commission of inquiry, by which he would see how, and by whom his affairs had been mismanaged, and who they were, who under pretence of mending matters, perplexed and made them still worse, and in particular would be at a

point how far the present debts did arise from mismanagement or from the deficiencies of the funds.

"I spoke much to him of the nature of this commission, with which and the other proposals he seemed extremely satisfied, as is evident by his last and memorable speech, in which he earnestly recommends the retrieving of the public credit, and offers his concurrence to all such inquiries as should be found necessary; and it is plain by the seventh article of the grand alliance, and his messages to the two houses of Parliament, how much he laid to heart both the affair of the West Indies and that of the Union."

The King's death, at so critical a moment, might well, as he added, "bring such a damp upon Paterson's spirits, that he lost almost all hopes of being further useful."* Being, probably, unaware that William had secretly sent so formidable a force to the West Indies, that the cabinet feared the home defences would be endangered,† he did not know the extent of his loss. He would certainly have been called upon to follow if the Duke of Marlborough's marvellous victories, largely shared by Scottish battalions, had not diverted attention from Spanish America. Paterson, therefore, with judgment that never failed, and with the confiding versatility that was in his character, now turned to other means of retrieving his own fortunes, and of promoting the welfare of Scotland.

* Wednesday Club Conferences, p. 88. 1717.

† Clarendon and Rochester Correspondence, 4to, vol. ii. p. 428. 1828.

CHAPTER XXII.

1705-8.

The Union—Paterson and its immediate antecedents—The distress of Scotland—His controversy with John Law on *paper* money — His advocacy of industry and trade — He is employed in preparing the public accounts for the Union—He is elected M.P. for Dumfries—He is recommended by the Scottish Parliament to Queen Anne, but neglected.

PATERSON'S share in the Union of England and Scotland, under a single Parliament, is one of the most prominent and most brilliant acts of his life. At the same time, it is the act which, in all its details, is the least correctly known, even to those who have taken the most pains to trace his career. A book upon the Union was published in 1706, under the title of "*An Inquiry into the Reasonableness and Consequences of an Union with Scotland*, containing a brief deduction of what hath been done, designed, or proposed, in the matter of the Union, during the last age; a scheme of an Union as accommodated to the present circumstances of the two nations; also states of the respective revenues, debts, weights, measures, taxes, and impositions, and of other facts of moment.

With observations thereupon, as communicated to Laurence Philips, Esq., New York."*

This volume was introduced by a preface signed *Lewis Medway*, to whom the authorship of the work is sometimes given; but in the title of at least one copy, the name of *Paterson* is found in writing of its date.† The form of the book, being "Proceedings of the Wednesday Club in Friday Street," or the dialogues of the members of such a club, identifies it with another volume published anonymously in 1717, and hereafter shewn by positive proof to have been Paterson's. The interlocutors of the dialogues, or members of the *Wednesday Club*, have not only the same name in both volumes, but a strong similarity of sentiment and style prevails in both of them.

This volume will, it is believed, be found to be by far the best, historically and theoretically, of the multitudinous writings of that day upon a subject which involved the dearest interests, and raised all the passions of both nations. Its principle of an integral, legislative union was adopted in preference to a federal union, advocated by very distinguished Scottish statesmen, and eagerly wished for by the people. Its author was employed in working out also its most difficult details of finance. Nevertheless, in the official report upon the Union, drawn up by Mr

* 8vo, p. 160. London: 1706.

† The copy of the book in the Library of the London Institution, in Finsbury Circus, from the Lansdowne Collection, has that name so inscribed on the title.

Bruce* in 1799, when a similar measure was preparing for Ireland; and in Lord Glenbervie's printed speech,† and manuscript ‡ collections, made on the latter occasion, not one word is said of Paterson or his "Wednesday Club" dialogues.

The comprehensive title-page of the book is a good index to the variety of its important contents; of which it will be enough to say, that they constitute an elaborate controversy between the members of the club, who are made to represent the several parties at that time busied with the subject; and that this controversy concludes with a resolution in favour of the complete Union, with a single legislature, afterwards adopted; and for the rejection of "all other leagues, confederacies, limitations, agreements, or bargains," many argued for, short of a complete union.

The case of Ireland is specifically introduced into the case, and an earnest hope is expressed by a member who, under the name of May, is understood to be Mr Paterson, that, "if the Union between England and Scotland should press forward, it would produce other unions and good things."

This point respecting Ireland is of the greatest interest in regard to Mr Paterson, inasmuch as the

* This was a privately printed work, rarely found out of official collections.

† Parliamentary History, vol. xxxiv., p. 827. 1799.

‡ These MSS. are preserved in the Advocates' Library in Edinburgh.

Speaker of the Irish House of Commons, and afterwards Lord-Chancellor of Ireland, was Sir Allan Brodrick, one of Paterson's oldest West Indian friends; and the late Lord Glenbervie stated in the House of Commons in 1799, in a debate upon the Union with Ireland, that one of the most zealous supporters of such a measure, a century before, was Sir Allan Brodrick.*

Perhaps the most urgent topic in the treaty and debates upon the Union of 1706, was that of the admission of the Scots to the advantages of English trade everywhere. This topic had been discussed in the bitterest spirit on both sides, aggravated in Scotland by a sense of injury in the Darien business, and by the extreme distress of the people under that disaster, a succession of bad harvests, and other calamities. A crowd of measures had been recently proposed to relieve Scotland; and one of these—the issuing of *paper* money as a substitute for gold and silver—gave rise to a controversy, in which William Paterson was directly opposed to John Law. The case was brought formally before the Parliament of Scotland, and decided in the way described in the sixth chapter. But the incident was accompanied by circumstances little known, and those circumstances led to extraordinary results.

In 1705, John Law not only published the volume, "Money and Trade," but he, at the same time, conveyed his views in a little-known short

* Parliamentary History above quoted, vol. xxxiv., p. 914.

tract, addressed to His Grace the Duke of Argyle, then Lord High Commissioner, and his mother's kinsman. This tract, besides briefly stating his system of *forced paper* money, as the panacea for the ills of Scotland, proposed such paper money to be issued when *wanted;* and besides "supplying the scarcity of coin and improving trade," it was to "pay the debts of the government;"—on which last point, twelve years later, the Regent of France took advantage of Law's system, iniquitously to relieve the state, at the expense of the holders of the debased paper currency.

The Parliament of Scotland was proof against the temptation; and Law, as if conscious of the hollowness of his plan, closed his address to the High Commissioner in a phrase curiously characteristic of the man. In his larger book, he had laboured to conceal the objectionable point of his system, *its liability to discredit, when the intrinsic worthlessness of paper, not based upon substantial property or coin, should be discovered.* For this purpose he had entered upon a discussion of principles of trading, upon which no difficulty could arise. In this short paper of eight pages, it was impossible to conceal the obvious danger under many words. So, after a brief statement of his double provision of paper, viz., for trade, and for the public service, he concludes by the bold assertion, which was utterly untrue, that his proposal had been tried in England with success.

"These two overtures," says Mr Law, "are plain and easy to be understood, the consequence visible, *and in a great measure produced a good effect in our neighbour nation*, when they were burdened with a heavy war, and laboured under the almost total suppression of coin, when their clipped and *Brimegem* money was called in, and milned money only allowed of, of which there was but a very small sum amongst them. *But how far they will serve us, or how far we are capable of being served by them*, THE LORD OF HEAVEN KNOWS."*

Besides the tract,† in which Mr Law is directly opposed by name, and a far wiser system than his advocated, the same rich collection where this tract is preserved, possesses another, obviously also from the pen of William Paterson.

The evidence of style and of date may justify a strong opinion that one author wrote both pieces; but it is the latter, in which the additional proof of the initials T. W. being read through the paper W. P., is also relied upon in support of his surmised authorship of the one tract, and therefore of the other.

The object of both tracts is to defeat efforts made at the time of their publication (the year 1705) by many active individuals, with the support of powerful men, to meet the distresses of the time by issue of inconvertible paper money. Dr Chamberlen, Paterson's old antagonist, was one of the most active of those individuals; but incomparably the most formidable of them was John Law.

* Tracts, vol. iv., p. 349. Advocates' Library, Edinburgh.

† See above, p. 119.

The writer of the two tracts referred to insisted upon the danger of depending upon anything, in our social and financial arrangements, but industry, economy, and enterprise, to produce real money. *Credit, based upon property thus acquired*, extended with prudence, will enable men legitimately to add to their own wealth, without injuring their neighbours. The circumstances of Scotland at the time gave intense interest to the whole subject, of which Paterson almost alone was master.

The year 1705 was as critical for Scotland as 1718 and 1720 for France and England, upon the subject of paper money; and, as is believed, Paterson saved his own country in 1705 from Lawism, as he also laboured hard, but in vain, to prevent its adoption in the two latter calamitous years.

Within about a week after the meeting of the Scottish Parliament, it was resolved, by a "vast plurality," to give precedence to the consideration of "Trade and Money;" and at the next sitting, "a proposal for remeid of the coin was given in by *Jerviswood*, in four articles taken out of Mr Law's book." A few sittings later they considered "Dr Chamberlen's proposal for the coin, when long discourses were delivered by the Earl of Marchmont for it; the Duke of Hamilton was very pleasant against it; the Earl of Stair seemed to be for the

middle way, but all agreed it was a matter worthy of deep consideration, and appointed the second sitting next week for it."

The difficulties of the times which encouraged John Law and others to press the dangerous measure of a paper currency without a safe guarantee, only led Paterson to urge the more zealously upon his countrymen the solid advantages of industry and trade. The contents of the tract, with the striking illustration of the Orkney family, which prospers with economy in one generation, but is ruined through extravagance in the next, has already, in the chapter on the Bank of England, been contrasted with the projects of Law and Chamberlen, which Paterson opposed,* along with the body of merchants in Scotland. But there was now also, in 1705, published this other "Essay concerning Inland and Foreign, Public and Private Trade," which is confidently attributed to Paterson's pen. It insists upon his "council" of trade, composed of eminent gentlemen and experienced merchants, capable of promoting *foreign* commerce as indispensable to national wealth. To carry trade on effectually, the large capital of a rich company is advocated, with active agents abroad, and scrupulous accounts kept at home. He shews how such trade would increase and improve the condition of the population, and raise Scotland to a par with her southern neighbour, by developing her vast natural resources. The

* Chap. vi., p. 113.

tract concludes with a passage which cannot be read without exciting respect for the sagacity and spirit of the writer, who, when the wisest of his contemporaries almost despaired of their country's fortunes, encouraged them by his confidence, and justified his confidence by pointing out the way to relieve their distress.

"Considering," he says, "that this trade would excite our commons to industry, by giving them rewards and returns worthy of and proportionable to their labours, our country in some measure would be safe from the bloody controversies about indifferent opinions, about the modes and forms of religion, which are the very cobweb of idle and pernicious contemplation in such bloody controversies this kingdom hath been but too, too often the theatre of.

"Hereby the Scots, in process of time, may have free and uninterrupted commerce with all the American plantations, and that after this manner. The Company, or *Council of Trade*, might send, as it were, colonies of merchants intrusted with a part of the public stock, into all the kingdoms of Europe, which have unquestioned right unto and peaceable possession of the American plantations. And those merchants, becoming naturalised subjects to the several kings in whose dominions they have fixed a sort of residence, would have unquestioned access unto the plantations belonging to their respective kingdoms; and, by improving that part of the public

stock, might bring great wealth into the kingdom of Scotland."

The ingenious opening to the Scots in colonies here proposed, through naturalisation in foreign countries, was a resource against the exclusion from English colonies, which some perverse but powerful southern statesmen at that moment insisted upon. Indeed it is very difficult to form a correct notion of the extent to which such violent feelings were then carried. It was even gravely discussed, whether Scotland ought not to be *conquered!*

The treaty of Union, however, came on the next year, and promised to put a reasonable end to all future dissensions between the two countries. Among other points then settled, was free commercial intercourse between them, so far as to clear the way for easy improvements, and to make reaction impossible.

After Mr Paterson had well discharged the duty allotted to him,* in the arrangement of the public accounts between the two kingdoms, he had the satisfaction to obtain, in his native county of Dumfries, a signal mark of public respect. The active part he had taken to promote the Union was well known. If his "Wednesday Club" conferences in favour of the measure were published anonymously, there is no proof that he concealed its authorship; and in Edinburgh, where he was familiar to the

* His associates were Dr Gregory and Mr Bower. They had £200 sterling each for the task.

whole people, he accepted the above-mentioned commission, which made him a well-known public man. At the same time, the Union had to encounter extreme opposition; and perhaps that opposition was, beyond comparison, the bitterest in Dumfries. The articles of the treaty were burned openly in the market place of that town. Nevertheless, in the face of popular indignation, Paterson became a candidate for a seat in the first United Parliament, as the member for the Dumfries burghs, and he was elected. His antagonist, however, of the powerful family of the Johnstones, was also elected, the return being double. Upon petition to the House of Commons he failed, as the journals testify, to keep his seat.* That the William Paterson, whose petition respecting the Dumfries election is thus recorded, was the subject of this memoir, will be thought to be proved by the fact, that in a letter† to Mr Tilson, then in the treasury in Whitehall, from a correspondent in Edinburgh, it is requested that an appeal made to the Lord Treasurer, may not be preferred until the arrival of Mr Paterson in London. He is set off, says the writer, to *Dumfries for his election.* The Rev. Mr Laurie's report upon Paterson's birth-place, Lochmaben, dated in 1791, and published in Sir John Sinclair's Statistical Survey, the election for the burghs, of which that town was one, is mentioned, but with this error, that

* Journals of the House of Commons for 1708, vol. xvii., p. 66.

† State Paper Office—Domestic—Scotland, for 1707.

he sat in the Parliament of Scotland before the Union. In the town records of Dumfries a letter is preserved from the authorities to Dr Hutten, the founder of the Caerlaveroch schools, requesting his influence with the ministry upon a matter of local interest, and it is added that they had also begged Mr PATERSON to exert himself in their favour. The date of this letter is 1709, when the subject of this memoir was in London, and in communication with Lord Treasurer Godolphin.

A still more signal mark of honour was given to Mr Paterson at the completion of the Union. The Parliament of Scotland closed its labours before resigning its independent character, by several resolutions and solemn acts of justice in behalf of various individuals serving in public offices. Among those selected for consideration, the minutes record that, "It being moved to recommend Mr Paterson to her Majesty for his good services, after some reasoning thereon, it was put to the vote—RECOMMEND HIM TO HER MAJESTY, OR NOT ? and it was carried, RECOMMEND.*

But so far from this powerful and well-deserved recommendation securing Paterson a post in which his abilities and integrity would have produced brilliant results, the official enemies of such merit as his took care he should not have common justice.

* Acts of the Parliaments of Scotland, folio, 1824, vol. xi., p. 448 minutes; and the Political State of Europe, May 1715, vol. ix., p. 412.

When, at the Treaty of Union, it was resolved to suppress the Scottish Darien or African Company, an indemnity in favour of Scotland was settled for that sacrifice, and for other objects to the amount of nearly £400,000. That sum was accordingly secured by an Act of the United Parliament, and the Court of Exchequer in Scotland was empowered judicially to distribute the fund among the creditors of the company. Paterson claimed about £30,000 of this money, chiefly founded on his contract when forming the company; but by an *ex-parte* proceeding in 1707, in his absence, his demand was omitted upon the original adjudication of the creditor's case. By a special Act of Parliament, however, passed in 1708, the omission was corrected in his favour; whereupon the Court of Exchequer heard him, and decided that he had "a just right to be paid out of the equivalent money; and that since he was excluded, and *also in regard that he had been very instrumental in carrying on other matters of a public nature, much to his country's service*, the judges thought it just that some way should be found to give him the recompence for his services he merited, and of which he had been disappointed."

Pursuant to these proceedings, the House of Commons, in the United Parliament of 18th March 1707–8, passed a resolution in Mr Paterson's favour, in regard to his Darien claims, "and likewise that such a recompence be given to him as might be suitable to his services, expenses, losses, and public cares."

Notwithstanding these accumulated evidences of well-substantiated merit, the ministers of Queen Anne listened to the worst of intrigues to Paterson's wrong, and to the enormous injury of the country, as is now to be shewn. It will be seen that it was not until the accession of George I. that Paterson gained his indemnity.

CHAPTER XXIII.

1709–14.

Paterson's solemn representation of the disorders of the finances to Lord Treasurer Godolphin disregarded—The fall of the ministry—Lord Treasurer Harley, the new minister, adopts some of Paterson's views, but does not employ him—Reasons for excluding him from the public service—The South Sea Company—Paterson's opinion upon it—Small gratuity given to him by Queen Anne.

The following statement of the origin, progress, and aggravation of our financial difficulties and national debts, was published in Paterson's name by Abel Boyer, in the "Political State" of 1711, and republished by Paterson himself in 1717, in his last "Wednesday Club" conferences. Notwithstanding the strong recommendation of the Scottish Parliament, that he should be employed, the minister, Lord Godolphin, had not the good sense to follow that recommendation. It may be said, without disrespect to Lady Rachel Russell, who still lived, that the promise of the Revolution, that the best men should be taken into the public service, was become "an old wife's tale." Corruption in every form was laying deep foundations at the Treasury

for the horrors of the South Sea bubble. The money-lender, Sir John Blunt, was favoured in Whitehall with the two Craggs, father and son, so soon to come together to their miserable end.* Greater names, with even Walpole's, were already tarnished with an undeniable share in the general corruption. William Paterson was far too honest and too acute to be employed at such a time.

His financial representation to the Lord Treasurer Godolphin is as follows:—

"WESTMINSTER, *December* 12, 1709.

"Your Lordship hath herewith inclosed a paper, drawn by me in September 1702. It contains my sentiments of some things I thought needful to be proposed and done in the session of Parliament then ensuing; and after having again reviewed this with other papers, I cannot but be of opinion that these or such like methods, timely and effectually pursued, had saved many millions, and left this kingdom in a much better condition to carry on the war, or to be guarantee of a just and lasting peace, than it now is.

"In the time of the usurpation, the receipts of the several branches of the public revenues were extricated from the old perplexed forms, and being reduced into one channel, a plain and easy method

* The better qualities of the younger Craggs, the unhappy secretary of state, obtained for him the homage of Pope, but another poet, poor Gay, to whose genius we all, young and old, do grateful homage, owed the distress of his declining years to the cupidity and folly of that minister.

was laid down, and pursued with such exactness, that the payments were brought to near as great a facility and certainty as in Venice and Holland; but upon the Restoration (in opposition it seems to what the usurpers had done, right or wrong) the old intricate forms were again resumed, and the disorders, both in the receipts and payments, were not only continued but increased.

"At the Revolution it was expected that these disorders would have been effectually redressed, but instead of this, the confusions of the revenues have grown greater than in any time before, nay, to such a degree that the throne hath been thereby shaken, the public credit hath been violated, the coin adulterated, high premiums and interests allowed, scandalous discounts made necessary, navigation, with foreign and domestic improvements, discountenanced or abandoned, frauds and corrupt practices in the trade and revenues rather countenanced than discouraged, and those few who endeavoured or performed anything towards the amendments or reforming these or such-like disorders, oppressed or neglected.

"By such an administration at home, the late king's affairs could not but prove, as they did, abortive abroad, and at last end in such a peace as only served to renew the war."

After stating his intercourse on this important affair with King William, as set forth in the twenty-first chapter, Paterson continues:—

"I must confess the death of that great prince brought such a damp upon my spirits, that I had lost all hopes of being further useful in such matters, had it not pleased your lordship to lay your commands upon me to go on as I did.

"Thus in the first year of the queen, an Act passed for settling a fund to make good the parliamentary deficiencies, and the Parliament not only readily granted effectual funds for future supplies, but likewise expressed a hearty inclination to concur in whatever should be proposed by her Majesty for preventing deficiencies in time to come; and your lordship ordered matters so well, that only five per cent. interest was paid on most of the short funds, and was also wisely pleased to direct, that lenders should not, as formerly, be permitted to bring into the exchequer all their money at once, but only by degrees. Thus considerable sums of interest were saved, the credit began to recover, and the circulation of the species was rendered more free and easy.

"But notwithstanding the surprising success of these preparatory steps in the first year of her Majesty's reign, contrary measures have since been pursued, high interest again introduced, the public revenues either quite sold, or anticipated for time out of view, the ordinary revenues of customs overloaded in an unparalleled manner, and which, if not timely removed, must end in the ruin of trade.

"An expedition to the Indies was likewise that

year set on foot, but soon after countermanded. However that happened, I hope your lordship will always own how constantly I have insisted thereon, as the easiest and most valuable design this nation could possibly be engaged in, since by the only advancement of £500,000 or £600,000 (a sum not considerable, in comparison with the vast expenses and losses in which this kingdom hath been since involved), France and Spain might long ere this have been at mercy, and both the power and trade of this nation raised to such a pitch, as possibly we shall never have the like opportunity to do again.

"A treaty of Union with Scotland was set on foot the same year, but came to nothing; and although several things succeeded the rupture of that treaty not very union-like, yet it pleased God, in his great goodness, so to bless her Majesty's inexpressible sincerity and unwearied endeavours therein, that in some years after this Union was happily completed; and had the peaceful spirit and true genius of the Union been more cordially prosecuted, the whole island had before this time felt the good consequences of it, and been entirely reconciled to it.

"Upon the whole, instead of the valuable securities and advantages we might have justly expected from a sincere and vigorous prosecution of those wise and solid measures of the king, we now see the then national debts of fifteen or sixteen millions so far from being diminished, that they are near, if not quite doubled; the public revenues almost

wholly sold or alienated, and yet about one-third of new debts still without funds for paying them; navy bills, and other such deficient credit, at twenty or twenty-five per cent. discount, and in danger of falling still lower, with all the other parts of the public credit in proportion. Which disorder must still increase, if much of the future supplies be raised on doubtful funds. Our home industry and improvements are under insupportable difficulties, most of the branches of our foreign trade so overcharged as to amount to a prohibition; not only our reasonable designs to the West Indies, but even navigation itself, and our proper plantations and acquisitions abroad, abandoned or neglected; our enemies suffered to carry away many millions which might have been ours; and the true spirit of the Union, with the great advantages that would otherwise have naturally followed upon it stifled and suppressed.

"In fine, after so much blood and treasure spent, and notwithstanding all our victories and triumphs abroad, we not only see Great Britain thus sinking at home, but even the fate of Christendom still depending upon the single success of the German and Flanders war.

"Your lordship knows how much and how long I have insisted upon the prevention and redress of these disorders, and given my frequent warnings of what would follow, in case timely and due care was not taken.

"All I can do is now again to renew my instances,

"*First*, That a true state of the public revenues and debts may be immediately prepared and laid before the House of Commons, to the end they may be prevailed upon,—

"1. To make the necessary provisions of interest for all such debts.

"2. To grant the supplies, so as to secure the nation from further deficiencies.

"3. To provide that the public payments be as regular and certain as in Venice or Holland.

"*Secondly*, That the Council of Trade be speedily put in a way of being more useful to the public, particularly because, if timely care be taken, this constitution may be brought to give visible credit and vigour to the administration, even before the end of this session of Parliament.

"To which instances, for reasons obvious enough, I now add—

"That all possible countenance may be given towards inspecting into the state of the admiralty and naval affairs, so as the queen may be better enabled to reform and redress what may be therein amiss.

"That the present condition and circumstances of the kingdom of Ireland be carefully stated, that it may be more perfectly known how much a complete union with that island will add to the wealth and security of Great Britain.

"There are several matters of weight, both as to

the nature and consequences of these proposals, not so proper to be committed to writing, of which I shall have the honour to acquaint your lordship by word of mouth, when so happy as to be again admitted to kiss your hands.—Meantime, I am," &c.

Boyer* states this letter to have been written by "Mr Paterson, a Scots gentleman, of great abilities, who was very instrumental in bringing about the Union." It is added that Mr Paterson, who had "no small skill in state affairs, was the chief and primary projector of the Bank of England, to this day the main support of the government. The measures he proposed to the last ministry were exactly pursued by their successors."

"Nevertheless," says Mr Boyer, "it would scarcely be believed the services of that great politician, Mr Paterson, had been so disregarded, that he was not yet paid his share in the equivalent given to the Scots at the Union, and allowed him by Parliament."

The reasons are then stated "*why men of merit are often unrewarded in England.* They are generally too modest to press upon men in power, so that what is due to their real services, is got by the impudent to their wrong. Besides, *our ministers are obliged to bestow employments and rewards on such persons as, by themselves or their friends, support those ministers in their stations.*"

The gross injustice done to Mr Paterson called

* The Political State of Europe, May 1711, vol. i. p. 269–75.

forth these observations, which were published at the time; and in the very same year a Right Reverend Prelate was appointed Lord Privy Seal, with the express commission from the crown, to pass appointments in the public service only to men of "virtue and true merit."* The whole case is of extreme importance in its bearing upon a great reform, instituted of late among ourselves —the reform of our corrupt system of appointments to the public service. That reform is really a revival of a statute of 1388 still in force, enjoining ministers, under severe penalties, to put the "BEST" men in public offices; and a statute, under which, not long ago, a fine of £30,000 was levied upon Lord-Chancellor Macclesfield, who broke it. The difficulty to be overcome is how to settle tests of such individual superiority, as well as how to enforce a right check upon selfish men in power. It is a reform that has bitter opponents, of whom one—a privy councillor—an example how a debased principle lowers intelligence—has gone the length of asserting that the golden rule recognised formally so many centuries, and which for ages our greatest men have earnestly struggled to bring into familiar use, is a novelty in legislation, and unknown to history!

Strict proof of this grave charge comes from himself, proving the truth of the Swedish Chancellor's remark, how small the knowledge is that governs us;

* This commission to the Bishop of Bristol is inserted in the Political State, 1711, vol. i. p. 516.

and setting up, too, a most dangerous principle in the conduct of life. Sir James Stephen's opposition to the recent great reform in our civil service, is founded upon the following address to the Lords of the Treasury:—"The rule of *detur digniori* is at least a perfect novelty," he asserts. "In every age, and land, and calling, a large share of success has hitherto always been awarded to the possession of interest, of connexion, of favour, and of *what we call* GOOD LUCK. Can it be that all the world is, and has always been, wrong about a matter so level, as it might seem, to the capacity of the least wise, as well as of the wisest? . . . A *detur digniori* world would, I imagine, be a world made up of despots and slaves."*

* Letter to the Lords of the Treasury upon the Re-organisation of the Civil Service, by Sir J. Stephen, 1855, p. 77. This letter contains a special and very striking example of the small acquaintance of its writer with *men*, as well as with law and history. In order to prevent the suppression of *patronage*, by subjecting candidates for the public service to tests of merit, he adds, that from his experience of our ministers, he believes they will not consent to give up official patronage. They will cling to it as a valuable portion of their ill-paid posts! Happily for their good fame, and for the general welfare, they have uniformly, and many of them zealously, promoted the work recommended by her Majesty to Parliament. They frankly accept the rule *detur digniori*—a rule not unknown to ministerial traditions, as shewn by Lord Bute's letters to Baron Mure, published in the Caldwell Papers, i. p. 33, and ii. p. 127–232.

This reform has been growing up many years; as from time to time efforts have been made to realise the ancient law of 1388—the age of Wicliffe, of Chaucer, and a whole galaxy of heroes. Sir Edward Coke comments upon that law with delight. It is, he says, fit to be written in letters of gold; and worthy, indeed, would the minister be who should execute it.

Upon this surprising misrepresentation of the unquestionable statute law of England, and of universal history, it is fit to remark, that volumes might be filled with details upon the struggle, "in every age and land," to secure the respect to merit attributed to Paterson's code, and promoted by our oldest and latest laws.

So far from *good luck* having acknowledged sway, as asserted by Sir James Stephen, it is a triumph of Christianity to have demolished the temples to fortune once scattered over the heathen civilised world. It is, too, one of the noblest sentiments in Shakspeare's glorious lesson from Nestor's mouth, which declares that "in *the reproof of* CHANCE lies the true proof of man."

It was one of the hopeful visions of the great Commonwealth's men who followed, to work it out in all its grand proportions. Its spirit did not suit Cromwell, who kept the Provostship of Eton College open, that the hope of it might hold some of the men who surrounded him in check; and who, when he failed in an attempt to corrupt George Fox, exclaimed, that if such Quaker's principles were to prevail, government could not be carried on! At the Restoration, a zealous partisan of those rigid principles of rule, printed the old statute, with an excellent *historical* commentary, shewing how in "every age of the world, and among all the nations," the spirit of that statute had been more or less respected. The two next reigns cared little for purity of any sort; and the witty Duke of Buckingham's verses to *Fortune*, bear witness to her unworthy predominance in bad times. As stated in the text, volumes might be filled with valuable matter upon this subject; and it may be very seriously recommended to the Education Committee of the Council, to have a manual upon advancement for "merit"—not by *good luck*—drawn up, to encourage the strugglers in life who have merit alone to depend upon.

The measures which Paterson recommended in vain to Lord Godolphin, and which Boyer here asserts with truth were adopted by Harley, afterwards Earl of Oxford, included the discharge of the national debts. This object was sought to be effected through the new South Sea Company. Paterson had no share in its establishment, beyond being one of the hundreds of commissioners appointed by patent* to receive the subscriptions. Whether he acted under this commission has not been ascertained; but the entries of two or three sums of £100 and £50, stand in the queen's bounty list in 1712 and 1713 to his name; and that amount of relief is all he seems to have obtained from the following memorial, which will be read with indignation at the heartless conduct of all Queen Anne's ministers, who could for any motive whatever disregard such an appeal.

"He depends," he says, "on the public service; and with his family is so reduced, that without a speedy provision he must perish. The daily hope of it enabled him, at first, to get support by borrowing at a great sacrifice; but the delay in settling his claim on the Equivalent, adds to his distress. He it was who relieved public credit by planning the Bank of England; which he promoted from 1691 to 1694, but had no recompence for his pains and charges therein. His plan for the Union was well entertained, and he spared nothing to forward

* The original commission is preserved in the Rolls Chapel.

it. Whereupon the Parliament of Scotland recommended him to the queen. His long troubles rendered him unable to extricate himself from difficulties without her Majesty's protection. So he prayed the royal countenance to his claims; and, in the meantime, for his services, he asked a provision, that he might devote his whole life to the state."

That this touching appeal should be made in vain, is most marvellous. The minister knew his distress was extreme and undeserved. His great personal merit was also well known. The Parliament and Exchequer of Scotland certified such merit in terms which alone were a title to the very best post in the Treasury in its Scottish relations. His statement of services is too modest, and far short of their value. Besides, what was then familiar to all, as to his financial acts in England, there is reason to believe, that his intelligence and activity saved Scotland in 1693 from a dangerous paper money scheme, long before John Law's system was proposed. The proceeding is described in a rare document in the Advocates' Library.* His influence in England cannot be doubted; and a tract,† written by Mr Pulteney, afterwards Earl of Bath, in shewing that the Earl of Halifax was the great master of our finances for many years, opens an inquiry important to the career of Paterson, who was the Earl of Halifax's enlightened prompter.

* The Halifax MSS., 1693. —— † Considerations upon the Sinking Fund, &c., p. 64, 8vo. London: 1729.

CHAPTER XXIV.

1707-1718.

Paterson's last residence in Westminster—His proposed public library of agriculture, trade, and finance—His occupations, difficulties, and friendships—His writings—His struggle in Parliament for an indemnity for his losses in Darien.

Except during his visit to Scotland in 1706 and 1707, on the business of the Union, and for his election at Dumfries to the first United Parliament, as stated in the last chapter, and except on a visit he seems to have made to Hanover, Paterson spent the remainder of his life in the metropolis. He resided in Westminster, a fact learned from the parochial books of St Margaret's, and from the books of the Commissioners of Sewers for Middlesex. His first house was in James' Street, near Buckingham House, then newly built, as we know from its founder's description of his life in it, and in a pleasant suburb, in which was situated the Mulberry Garden, a place of popular resort long before the days of Ranelagh and Vauxhall. Paterson's tastes were rural, and the walk from his first residence in Westminster to the *coffee houses* he frequented, in common with all classes of men, and to his friends

in the city of London, may be inferred from old accounts and pictures, to have been singularly agreeable. It was probably in James' Street that Paterson's second wife, Mrs Hannah Kemp, possessed some property. He had lost her in Darien, but the children of her former marriage, as well as his first wife's children, all provided for by his will, appear to have lived with him. It was in the spring of 1701 that he took up his residence in London, after so honourably and vigorously labouring in Scotland to refound the Darien Colony. Soon afterwards, besides his satisfactory intercourse with King William, he certainly renewed his connexion with eminent merchants in London. Among them was Sir Theodore Jansen, who, until ruined in the South Sea bubble, had for thirty years taken the lead in the financial and commercial world. Sir Theodore had extensive leases in the part of Westminster now occupied by Queen's Square; and there is a tradition that Paterson, being skilful in managing such matters, took an active part with the wealthy knight in building the square. However that may be, it is certain that he was the occupant of one of the houses there, from 1705 to 1718. During all those years he paid the usual rates for his house, upon a rent of £45 a year. He had about a dozen neighbours in the square, and their respective rentals, compared with his, give an exact measure of his social standing. The Earl of Derby and Sir Robert Atkyns, the historian of Gloucestershire,

with two more richer inhabitants, paid £85 and £90 a-year, Mr Woolison £45, and Mrs Parnther paid £20 a-year. But "Henry Vincent, *Esquire*, and William Paterson, *Esquire*," paid £50 and £45 a-year. The house he lived in is believed to be the present No. 5, with its original carved portico and grotesque group of heads. The date of "Westminster" to his letter to Lord Godolphin, in 1702, and to his proposals for a public library in 1703, identify him with that city; but the fact of his residence in *Queen's* Square, as here asserted, is testified by an interesting short passage in one of Charles Lesley's political tracts. "The numerous colony in Darien," says the Jacobite controversialist, in respectful terms of the sturdy Antijacobite, but pure patriot, "had orders under the hand of *the Prince of Orange*. . . . . At length most of the provisions failed. A terrible famine ensued. Their fleet, with many people, perished; and of the few survivors, *the present Mr Paterson of Queen Square, Westminster, was one.* His lady perished." *

In 1703, reflecting upon the great mistakes of the rich merchants of England, in opposing the Scottish enterprise, and earnest to promote the general good, by the spread of knowledge upon all topics belonging to national progress—he drew up the following remarkable paper, which is preserved in the Harleian Collection, in the British Museum, No. 4654, being an offer of his books for public use.

* Somers' Tracts, by Sir W. Scott, vol. xiii. p. 689, 4to. 1813.

"My collection," he says, "gives some better idea than what is commonly conceived of the tracts or treatises requisite to the knowledge and study of a matter so deep and extensive as trade and revenue; which, notwithstanding the noise of so many pretenders, as we have already had, and are still troubled with, may well be reckoned never yet to have been truly methodised, or digested—nay, nor perhaps but tolerably considered by any. Trade and revenues are here put together, since the public (or, indeed, any other) revenues are only parts or branches of the income or increase by and from the industry of the people, whether in the way of pasture, agriculture, manufactures, navigation, extraordinary productions or inventions, or by all of them. So that to this necessary (and it is hoped now rising) study of trade, there is not only requisite as complete a collection as possible of all books, pamphlets, or schemes, merely and abstractedly relating to trade, revenues, navigation, useful inventions or improvements, whether ancient or modern, but likewise of the best histories, voyages, discoveries, descriptions, and accounts of the states, interest, laws, and customs of countries; that from thence it may be more clearly and justly gathered and understood how, and in what manner, the various effects of wars, conquests, fires, inundations, plenty, want, good or bad direction, management, or influence of governments, and such like, have more immediately effected the rise or declension

of the industry of a people, whether home or foreign."

To the manuscript is annexed a catalogue of the books thus proposed for public use. They are chiefly in English, but with many Dutch, German, French, and Spanish volumes. Two are Latin, namely, Tully's Offices, and a translation of Demosthenes. This collection may be taken as a direct proof that Paterson was habitually a diligent reader and a good linguist, however imperfect his early education may have been. The object of his library was to promote the cultivation of knowledge, not only of trade, but of every branch of industry, whether upon land or sea, in country or in town, and he would crown all by masterly views of the public finances. It has been lately tried to carry this plan out.

His Scottish connexions in London were of the high rank, likely to belong to one who had been honourably concerned in matters of the greatest importance. In the British Museum, there is a fragment of a letter from him to the Duke of Queensberry, whose friendly account of him to King William has been noticed. This letter is intrinsically of no value; but it shews he was habitually listened to by his Grace on such a subject as the Union. In Baillie of Jerviswood's Memoirs, there is a passage on a delicate, personal point of character, proving that much deference was paid to his opinion in such a case. Cockburn of Ormiston, a statesman of weight, but vacillating, seems to have excited serious uneasiness, if not suspicion, as to the negotiations for the Union. "Even *Mr Paterson*," says the writer, "says he does not understand him."*

There is one illustration of his social position in London, upon which only a strong surmise can be offered, with its ground. It is submitted to be highly probable that William Paterson furnished Addison with the best part of the character of Sir Andrew Freeport. That they were well acquainted with each other cannot be doubted. Paterson's warm attachment to the cause of the Revolution, and especially to the Hanoverian succession, as well as the respect King William had for him, would secure for him also the respect of Addison and Steele. The son of his own good friend, the Principal of Glasgow, Dunlop, was so far connected with them both as to be a contributor to the *Spectator*. Addison was not without connexion with the West Indies through a brother—as another brother was a governor in the East Indies. Dr Arbuthnot, whom all men loved as a brother, would be in friendly relations with a countryman like Paterson. Indeed, he almost seems to allude to him in a passage in Martinus Scriblerus, where his travelled hero's standing grievance against the minister is glanced at somewhat in the light way that they who have such grievances must bear. But it is in regard to Sir Andrew's lofty principles, then so rare among *English* merchants, that the identity with Paterson is complete.

* The Jerviswood Correspondence, p. 156, 4to. 1842.

Both declare free trade to be the polar star to national prosperity, and peace the safeguard to our greatness.

It must not be objected that Paterson, being a Scotsman, would not so readily be made a type for the British merchant. One of his merits was, that without ceasing to be a thorough patriot, he valued the English in the highest degree—he had lived long in intimacy with them, and ended his days among them, after burying his English wives. It is some evidence in the case, that Captain Sentry, of the Club, is thought to be meant for Colonel *Kempenfeldt*, his near neighbour.

He does not seem to have taken any part in the angry controversy against the Bank of England in Queen Anne's time, when John Holland (the English originator of the Bank of Scotland) attacked the former with extreme bitterness. But several years later, in 1717, Paterson makes the members of his club freely censure his old friends upon more than one ground. After demonstrating the benefits to be conferred on the nation at large by redemption of the nation's debt, which would have been effected by a wiser management throughout the queen's reign, Mr Hope says, he had often wondered that the bank did not, at that time, for their own sakes, as chief creditors of the public, exert themselves to stop the waste of the public money. Upon this, Paterson, in the person of *Mr May*, remarks, that possibly the times were against

the Bank; as the fact was, since the Tory interest had got the better of theirs, the Revolution interest. In that case, says he, all they could do was to make proper *representation* of their views to the government. He therefore moves an adjournment, to have the documents asked for.

At the next meeting, Mr Brooks reports that they had failed in even learning whether any such representation had been made or not. But the bank had for several years taken its share of "the exorbitant interest and premiums" allowed upon the loan; and sanctioned financial arrangements which reduced the property of the earlier public creditor 25 per cent.

Upon the detail of the facts, and a careful reference to the Acts of Parliament, Mr Grant says, "My regard for the bank inclines me to think the representation must have been made, otherwise they will hardly merit such favour in this club as they seemed formerly to have." After some further statements, the famous advantage obtained by the bank in 1710 is thus reproved:—

"They pretend," says Mr Speed, "to an exclusive privilege of banking."

"An exclusive privilege of banking!" said Mr Gage, "what mean they by that? Sure they pretend not to monopolise the mystery of borrowing and lending."

"Monopolies of buying and selling have, in some cases and places, been granted," said Mr Hunt,

"yet hardly ever otherwise than to prove destructive to the places where permitted; but monopolies of borrowing and lending are certainly new things."

"Soft and fair," said Mr Sands; "I am told they pretend not to exclude private men from borrowing and lending, only corporations and companies of them; it's true they condescend so low, that no more than six men in company shall be permitted to traffic in credit by way of society."

"That's, however, kind," said Mr Ford, "since they are still pleased to allow five or six men in way of society to borrow or lend; but possibly it may be worth while to inquire how far they have been, or still are, gainers by this abstracted notion."

"I have been long of opinion," said Mr Grant, "that the bank hath not been the better for its pretensions to so huge monopolies of the subject-matter of borrowing and lending; and though the cashiering part is the most noisy, yet I question whether it hath been the most profitable part of their business."

"However," said Mr Heath, "we now see the cashiering part is become no small share of the business of the bank; and, doubtless, those who deposit their money therein do it from the prospects of safety and convenience."

"The cashiering part in funds of credit," said Mr Sands, "may well enough be admitted to have some share in their prospects; however, I cannot help thinking that less than a moiety of their proper money advanced might, with good direction, have

been a sufficient collateral security for circulating much more of the public, or other well-founded credit, than they have yet been engaged in, and all this with less noise and trouble, and more security."

"A considerable space before the Bank of England was established," said Mr Far, "I have been told the Bank of Amsterdam had to the value of £36,000,000 sterling, in gold and silver, deposited only for the better security and more convenient transference from one to another; that bank being so far from allowing interest or other consideration, that some acknowledgment is always paid for the money admitted. Now, supposing only one-tenth part of the same great sum in that bank, and that in lieu of the other nine-tenths the rate of three per cent. per annum constituted as a fund of interest, think you not that this tenth part in specie could easily circulate the other nine-tenths at that rate?"

"I am not only of that opinion," said Mr May, "but I believe, as things then were, and still are, in Holland, a plain and effectual security, for payment of three per cent. per annum at the Bank of Amsterdam, would go at least as well alone, as the same allowance does at Rome, without any fund of money or premium for circulation—that is to say, with ten, twelve per cent., or it may be more, advance."

"You seem to have a mighty opinion of the credit of the Bank of Amsterdam," said Mr Brooks; "and I have the same of the Bank of London, and think that as this proposed redemption will be a public

benefit to all the subjects, so no society whatever ought more to wish it properly wrought than that of the bank, since they are particularly capable of being very great gainers, by having the interest of the funds brought to four per cent., though their own were altogether included in such reduction; the nature of that constitution being such, that the more extensive and national its basis becomes, the greater its security and advantages will be."

This passage was published by Paterson in the decline of life; but his earliest writings equally insist upon a *broad basis* for the operations of credit, so as to prevent the influence of monopoly, no less in capital than in other elements of business. Whatever his views now were, they seem, after one more effort in 1707 to form a trading company in *Hanover*, to have been limited to the productions of his pen. Even when a prosperous, active merchant, he is well known to have been a diligent reader, a persuasive speaker, and ready with his pen. It is not surprising, therefore, that, crippled in his fortunes, but with undimmed intellect, his greater leisure should be devoted to books we know him to have written, and to others less distinctly proved to be his. At this period, violent controversy arose respecting the restoration of the Scottish Episcopalians to their national cures. It involved vital political considerations; and Queen Anne's ministers were much disposed to favour the claims of the

Episcopalians. The attempt failed, and a letter from Paterson, published in a periodical of the time, described its danger in powerful language. On this occasion, it is said that a tract, signed "W. P.," dated 1710, and equally strong on the Presbyterian side, was written by him. He also wrote a short paper in support of the new South Sea Company in 1711. Whether he wrote any of the papers in the *British Merchant*, a periodical work in three volumes, edited by Mr Martin, one of the writers of the *Spectator*, seems to be doubtful. His name, however, stands among the subscribers to a second edition of that work, published after he recovered his indemnity in 1715. His name also appears among the subscribers to the Caledonian Charity, for small sums during the years of his distress, but for a considerable gift afterwards. It has not been ascertained that in Queen Anne's reign he took any part in the French *commercial* treaty, which his political friends violently opposed, whilst its provisions seem to support his principles of free trading.

He received great compliments from other writers. Scottish ballads were written of him; and a famous geographer, Moll, dedicated maps to him, in common with peers and princes, and to the exclusion of all besides.

All this reign, year after year, he pressed his claims upon Parliament, succeeding in the House of Commons, both in committees and in votes of the House; but he was as often defeated in the House of Lords.

CHAPTER XXV.

1715–17.

Paterson obtains a large indemnity by Act of Parliament—He plans the first sinking fund for the redemption of the national debt—His "Wednesday Club" Conferences in support of the measure burnt at the Royal Exchange—The revival of John Law's paper system, and the public delusion in its favour in Scotland, as well as in France, and in England—Paterson's vain opposition to it.

THE accession of George I. to the throne, in 1714, brought the liberal party and Paterson's friends into power; and before the meeting of Parliament in the spring of 1715, some means must have been taken to prepare the way favourably to the restoration of his fortunes. The Earl of Halifax, so long familiar with his merits, was placed at the head of the Treasury; and in March, a few days before Parliament met, Paterson presented a memorial to the king, praying the grant of means to enable him to produce a work of the greatest importance in that department. He explained his experience for *twenty-nine* years in commercial business; and that his commerce abroad had suggested to him measures

calculated to connect the king's dominions on the continent more and more advantageously with Great Britain. He referred with modesty to his claims, the settlement of which had been so long prevented by "a violent party." The sum he asked for, in order to be able to do the service he proposed to set about, was—"five or six hundred pounds!"

Instead of granting this request, his Majesty referred the memorial to the Treasury, for the consideration of his claims, which resulted in an Act of Parliament being passed in three months upon their merits; and by that statute the substantial sum of £18,241 was charged upon the Scottish Equivalent for Paterson, with the scrupulous addition of the fraction of 10s. 10$\frac{5}{6}$d. in his favour. The indemnity was granted after a rigorous scrutiny into the title to the claim; and, although the Earl of Halifax died before the law received the royal assent, it is reasonable to presume, that this act of justice, refused by the government until his lordship regained power, was done at last through his good influence. This is confirmed by the fact, that from the death of the Earl of Halifax may be dated the disastrous prevalence of those counsels in the ministry, which was swayed by John Law and misled by his success in France, so as to crown the Mississippi delusions by the South Sea bubble.

Paterson was thoroughly master of the sources and workings of public credit, and of the laws of taxation. He maintained that both might be

brought, in aid of a wise economy at the Treasury, duly to discharge all public obligations, and lessen public burdens. In other words, he would redeem the national debt, as we do, by its payment out of a surplus revenue. As soon as he obtained, in 1715, the assurance of his indemnity being granted, he, in that very year, distributed his plan among the members of both Houses of Parliament. During the next eighteen months his doctrine gained adherents, and Lord Townshend and Mr Walpole (afterwards Sir Robert), took the lead in advocating it. They were supplanted by a court intrigue; but their successors, of whom the Earl of Stanhope was chief, adopted Paterson's principle. The publication of his "Wednesday Club" Conferences was concurrent with the introduction of the bill for the sinking fund into Parliament. This was in 1717, and the authorship of the Conferences of 1717, by Paterson, is proved by positive contemporary evidence. Boyer's "Political State of Europe," of the same year, reprinted a very large portion of the book,* as the work of "Mr Paterson, a gentleman the journalist had often mentioned, and of whom he would only then say, that he was the projector of the Bank of England, and the person chiefly employed in settling the public accounts at the *Union*."

To the analysis of the book it is added, that *it gave so much offence to the stock-jobbers, that some of*

* The Political State of Great Britain for March 1717, vol. xiii. pp. 261-303.

the meaner sort caused the book to be burnt before the Royal Exchange.

Soon afterward, in the same year 1717, another work of the time, attributing the measure of the sinking fund to Mr Walpole, says, the topic became so popular that pamphleteers took it up, particularly the writer of the "Wednesday Club" Conferences, which he describes exactly, even to the number of the pages of its first edition. The writer of the book, he says, was "Mr Paterson, famous for such calculations." It was replied to, on behalf of the stock-jobbers, by one Broome, in a tract entitled "No Club Law," which complained bitterly that by the proposed measure it was intended to apply a *sponge* to the public debt. To this there appeared a rejoinder, under the title of "Fair Payment is no Sponge," which last pamphlet was said to be written "by the said Mr Paterson or by Daniel Defoe."

Thus, not only is the authorship of this weighty work held to be properly attributed to William Paterson, but his name is mentioned in the same paragraph with that of Defoe, then universally considered eminent as a political writer.

In the Manchester Free Library, there are copies of three editions of this work for 1717; and two of them are quite distinct—one having 276 pages—the other only 182, with smaller type.

The following description of the way in which the stock-jobbers received the proposal to suppress their occupations by paying them off, is in a sufficiently

severe strain of irony to account for their angrily burning the book. It is a sort of report made by one of the club, as to his reception by those worthy gentlemen.

"*Wednesday, August* 29, 1716.

"Since our last meeting," said Mr Sands, "I have spoke to several eminent public creditors, particularly with the most considerable dealers in stocks, and find them utterly against this redemption of yours."

"Then," said Mr May, "it seems it's a doctrine they by no means like; but pray what do they say to it?"

"Say! they say," replied Mr Sands, "that they have purchased the several branches of the revenues now sold at different rates and terms; that it's not sufficient satisfaction now to pretend to give them their money again, since they supplied the public in exigencies when nobody else would, and when they could easily have made more of their money employing it in trade or other improvements."

"What said you to all this?" said Mr May.

"I first told them," continued Mr Sands, "that the words 'sold' or 'selling' the public revenues, which were virtually parts of the nation, and of the very vitals of it too, was by no means proper for them to use.

"To this they answered, that though they did not care to trouble themselves with reading Acts of Parliament at large, especially since those relating

to money matters are of late become so long and intricate, but rather contented themselves with abridgments, or reports of others, in matters where they were concerned, yet thought they could charge their memory so far as to believe, the very words 'selling,' 'sold,' 'sale,' or such like, were used in some or other of the late Acts of Parliament.

"I told them these or like words, in such a case, could not possibly be in any Act of Parliament unless somebody put them there, and, if so, it must be lately; however, I would look into the statute-books: meanwhile, whether true or not, it was not much to the present case, since allowing others to have formerly been in love with the terms 'selling,' 'sale,' or the like in this case I still thought the word 'redemption' better.

"And as to the several exigencies wherein they served the government with their money when nobody else would, I doubted not, but on due application and proof, the Parliament would grant them a suitable recompence.

"They said their agreements had been usually made privately, often with but two or three, and sometimes with but one person, and seldom otherwise than by word of mouth, since putting such things in writing might have exposed them and their affairs too much.

"That, therefore, they thought it improper for them to bring such things before the Parliament, which made their case still harder.

"Upon this I readily confessed to them, that if the several cases were so tender and delicate, and withal done so secretly as they represented, it would be by no means advisable to bring them to Parliament, especially now in the time of peace, when men are more at leisure, and consequently less capable of being diverted from inquiries of this nature, than they were in the preceding wars.

"They said I took them right, in judging it might be dangerous to give any handle towards forwarding of popular inquiries, especially how such things as these have been done, and who they were that did them.

"As to the last part of your grievances, said I, viz., that though you could have better employed your money, yet you chose rather generously to advance it to the crown for the public support; I highly commend this public spirit, and at the same time think it hard that you who have thus continued to support the government with your money during two whole reigns, should not, if possible, be now relieved from this your burden, in the reign of King George, and, therefore, heartily wish the government could raise sufficient money from other hands, especially if at lower rates than now paid, thankfully to return you your money, which would certainly still give you a further opportunity to exert yourselves for the public good, in ways obliging also to the people, as well as profitable to yourselves.

"For what great and good effects must such prodigious sums of money as yours, now in the funds, have, in being employed in trade, manufactures, fisheries, and other improvements, employment and maintenance of the poor, and such like?

"After looking upon one another awhile, they said they did not know whether there were now so good opportunities for men to employ their money in trade, as when they first ventured it in the Government.

"Besides, that several of them have of late not only applied themselves, but brought up their children wholly to this present traffic in the public securities; and if that were once taken away, they should thereby lose their livelihoods.

"Never fear, said I, but there are still many good opportunities to gain money by trade, if you but look out for them; and as to poor people among you, who have no other employment, but only in the present traffic of government securities, if this redemption takes, they may be otherwise provided for by places, and such like.

"Some of them began to complain that now the public securities advanced so unreasonably much, that at this rate they'd run the risk of hardly making five per cent. of their money; which falls hard, said they, especially upon those who have formerly made never less than nine or ten per cent. per annum, and often considerably more.

"I then told them that should stocks rise at this un-

reasonable rate, as they termed it, instead of five, they might even, as things now stood, in time hardly be able to make four per cent. per annum of their money.

"Therefore, said I, would it not be as well for you now to receive your money back together at once by a redemption?

"To this they answered, that it is not so bad neither, since there are several impediments to so great a rise of stocks all of a sudden, particularly that besides the many different sorts and species of government securities now at market, the public was still indebted five or six millions more, as yet unprovided as to payment of principal or interest.

"That while this great deficiency remained, it would still help to bear down the stocks; that even when it should come to be provided for, which as yet was remote, so great a quantity of fresh public securities being added to those already, would sink the stocks considerably.

"I told them, that by the redemption proposed it appeared the deficient debts might be all provided for, the present taxes made much more easy to the people and profitable to the government, with other advantages, yet so as that the national debts might be wholly discharged in less than half the time they otherwise can.

"Some of them then said, if I would keep their secret, they could tell me something better than the proposed redemption.

"I am no friend to secrets of any kind, said I,

therefore cannot so much as give any such things the hearing.

"They then said it was by some new taxes that would be very easy and hardly at all felt by the people, and besides they might give the government a further opportunity of providing for many poor men who wanted places.

"I then desired them to communicate the nature of those taxes, if it were not a secret.

"After looking upon one another, one of them said, he had several good proposals of that kind to make at the next meeting of Parliament.

"As, *primo*, If they will but lay sixpence or eightpence per bushel on wheat at the mill, and proportionably on other grains, that alone would raise a million per annum.

"*Secundo*, That if they will but lay a penny per pound on beef, and proportionably on other flesh, fowl, and fish, that would at least raise another million per annum.

"*Tertio*, If they will only lay five or six per cent. on the woollen manufactures, that would bring a third million per annum.

"And were I to rummage among my books and papers, continued he, I doubt not but soon to find three millions per annum more.

"Upon this several of the company began to grumble, saying they liked not these taxes, since they did not find but that even they must contribute to the payment of them as well as other people.

"To this the proposer replied, he had calculated these taxes as much as possible to the ease of those concerned in public securities and stocks, but as yet he had not found out a way quite to exempt them in such cases, especially such of them as should continue still to eat, drink, and wear clothes.

"I told him I thought these taxes would be very heavy, and yet not bring in a third, possibly not a fourth, part of the money he proposed by them.

"Tush, said he, I warrant you they will bring in all the monies, though for removing all just ground of complaint, I have contrived them much easier than they are now in Holland.

"I hear you, quoth I, but can you not think of any more easy taxes at this time?

"At present, replied he, I can only think of two or three small things, which will hardly raise above half a million per annum each. For example—

"First, If they lay a small tax on the values of all actions brought at law.

"Secondly, On the value of all judgments or decrees obtained at law or equity.

"Thirdly, On all creditors who shall be so wicked as to confine men in prisons for debt.

"This, as I said, might raise about half a million per annum, and so would serve as a fund for two or three good lotteries.

"Still well, said I; what further?

"Again, continued the proposer, if they will lay only eight or ten per cent. on all successions and descents

to estates real and personal; and only four or five per cent. on all sales or alienations of houses or lands. These two articles only might raise half a million per annum more, and be a good fund for two or three other substantial lotteries.

"At this Mr Rule, one of the company, in a great passion said, the very naming these new taxes makes me mad, since I don't see but that our estates who are concerned in stocks, may happen thus to be put in the way of being taxed and gamed away, as well as those of others.

"Yea, quoth Mr Long, another of the company, and should the people be as mad in feeling these taxes as you seem to be only at hearing of them, we may happen to be paid our money only *à la mode à France*, and yet after all be brought in for snacks in the taxes.

"At this they fell into confusion, and so many of them spoke together, that I could hardly know what any of them said, only could gather that they by no means agreed about the proposed new taxes.

"Meanwhile some of our company, who had been at the Alley to see how stocks went, returned, and with them several others, who, finding the noise, inquired what was the matter.

"After silence, one of the company repeated the substance of what had passed, particularly about the redemption, with which they immediately began to make very merry, saying, This whim of a redemption is no longer a secret, it has run up and down

the Alley for some days past, and we find hardly a man of them for it. One and all are against it—it will never do.

"It may be it will not do, and it may be it will do, said I; but, pray, what did they say to it?

"Say, said Mr Dun, one of the company, they say they think it may be hard enough to do, though even they should be prevailed on to espouse it, but were sure it never could without them; meanwhile they determined not to be concerned.

"Did none of you, said I, offer the supposition that it may possibly be done without them?

"Yes, said Mr Law, another of the company, I told them, that though of late years the public had shewn great regard to the sentiments of the Alley on several occasions, yet that it had not been so always; and that if happily somebody should find out a way to do this thing without us, what then ——

"Upon this he stopped, and I said, Then, what then?

"Then, returned he, they grew angry and threatened.

"Threatened what? said I.

"That they would never lend the government more money, returned Mr Law.

"That threatening is not at all dangerous, said I, since I hope they shall never again be admitted to lend money at the former rates.

"After having paid my shot, I went away, saying, Gentlemen, if not all, I at least hope to find more

of you inclined to the redemption at our next meeting, and so left them."

"I think you managed the point pretty well with them, considering their numbers and other disorders," said Mr Brooks.

"I have several times of late had conversations with the same sort of people," said Mr More, "and much to like purpose; since abating their passions, their reasons against the redemption might as well serve for it. Thus suitable to their cause is their conduct."

Whilst this important measure was thus proceeding, in all appearance to a good issue, and Paterson, on the one hand, enjoyed the personal satisfaction of paying his own debts with the fund justly awarded to him, and reasonably, too, looking forward to the redemption of the public debt by means his own science and sagacity had planned, a fearful storm was fast coming on to destroy his hopes on both heads.

John Law, failing in his suit to the Queen to pardon him for killing Wilson in the duel, had returned to the gambling tables of the continent, where he acquired the friendship of the Regent Orleans. On the death of Louis XIV., the regent adopted Law's paper system, which was now, in 1717, rising in estimation. It soon reached a brief, fabulous prosperity; and before its rapid fall, the sober English, and less adventurous Scots, on intelligence of its wonders, plunged into all its mysteries and hazards.

Its effect in Scotland, less known than that which took place in London, will suffice to shew the extent of men's delusions.

In the *Courant* of Edinburgh, of the 11th of August 1719, there appeared a paragraph from Paris, to the effect that, upon a lady applying to Law, by the regent's recommendation, to help her to pay off some troublesome creditors, he took her personal note for a large sum, which he gave her in cash to lay out in Indian stock; adding that, at next New-Year's Day, she must repay the loan, and keep the *fortune* that would be left her out of the risen stock. "This great financier," says the Scotch journalist, "does the same thing often; and is reputed to be worth fifty millions."

A very short time afterwards, the authorities of Edinburgh solemnly resolved to send the freedom of the city to Law, in a costly box; and their provost, a Campbell, too happy to be allied in blood to the great man, penned an address to him in a strain of compliment that is read with shame at the thought of what honourable men will descend to before a golden image. Law treated the Lord Provost and the Council with cool neglect, that must have taught them a lesson of self-consideration. He did not acknowledge the letter for six months; and then signified that his great employments had prevented an earlier reply. This he wrote to his complimentary Scottish kinsman in French!

It is consoling to discover that the spirit Paterson had impressed upon his own people in Scotland in 1705, to Law's confusion, was not quite lost. Verses printed on this occasion in Edinburgh are preserved, expressing the scorn with which a lady rejected the addresses of a suitor enriched by the South-Sea bubble plunder—"horrid spoils, and execrable gains," as she terms them, exclaiming—

> "Oh! if we a patriot soul could view,
> That would revenge his nation's cause on you;
> Proudly we 'd meet the brave man's swelling breast,
> Wake all his joys, and lull his cares to rest.
> In blessing him, we 'd waste each precious hour,
> And so in cursing thee, and thy once fatal power." *

These reflections are made almost in contemplation of the troubled dying man, once so dear to Scotland; and we are grateful to the kind-hearted, high-spirited woman, who thus spurns base, gilded toys, and willingly does homage to the merit of which the times were not worthy. The women of Scotland, however, always appreciated William Paterson. It was the venerable Duchess of Hamilton, supported by the Countess of Rothes and the Lady Hope of Hopetoun, who headed the list of the contributors to the Darien Fund with large subscribed sums; and "a lady of honour" piously sang the hymn on the departure of the second fleet from the Kyles of Bute.

* Folio Tracts, vol. xxii. p. 205. Advocates' Library. The records of Edinburgh further expose the delusion; and in referring to them, their aid, and that of the records of Dumfries, in compiling this work, is gladly acknowledged.

CHAPTER XXVI.

1718–1719.

Paterson's last trials—Resistance to *Lawism*—His will—His uneasiness at the insecure state of the Equivalent Fund, and at our financial prospects—His removal from his house in Westminster—His death.

It were reasonable to suppose that this good man's career would end in peace. It was far otherwise; and, strange to say, the sorrows of its last few months arose out of our friendly relations with that country, France, with which we had been at war during so many years in his lifetime; and he had been among the foremost of private men to support that war. His relative, and old opponent in finance, John Law, was become the real ruler of France for awhile; and, as shewn above, the delusions of that arch-gambler deeply affected society here. A powerful party resisted these delusions, which are exposed, especially in regard to the French proceedings of Law, in the *Register* of 1718 and 1719, an able political magazine. There is no evidence that Paterson wrote in this work, but it was imbued with his principles; and when the acute Duchess of Marlborough afterwards refused to have large purchases of South-Sea stock made for her family, Her Grace said the persons skilled in accounts maintained that the circulation of the prodigious amount of paper bills issued, could not be kept up at the prices then reached with so few millions of coin as we possessed. Paterson's friend, Thomas Broderick, was in the House of Commons, and his excellent reports of the debates, published in the "Marlborough Papers," by Archdeacon Coxe, shew his connexion with that family, and his correct views of finance. The Earl of Stair also, ambassador in Paris, zealously opposed Law and his schemes, of which his lordship sagaciously saw all the evil; and as he had a Paterson in his train, it is not too strong a surmise that he was familiar with his countryman's lights; but the warning was despised.

The general and disastrous result is familiar to us; but few have noticed the resistance made to *Lawism* in its terrible triumph at that time. Of those who were not deceived, Paterson was unquestionably the chief; and seeing the importance of the subject to this day, every repository ought to be searched for letters or other materials of information about it.

Paterson's last will, made under these difficult circumstances, was as follows:—

"*Copy of the Will of William Paterson.*

"I, William Paterson, of the city of Westminster,

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"*Copy of the Will of William Paterson.*

"I, William Paterson, of the city of Westminster,

esquire, being in good health of body and mind, for which I most humbly thank and praise Almighty God, the ever-blessed Maker and Preserver of all, do make this my last will and testament. After my debts paid, I give to Elizabeth, my daughter-in-law, only child to my first wife, Mrs Elizabeth Turner, relict to the late Mr Thomas Bridge, minister of the gospel in Boston, in New England, fifteen hundred pounds. 2. I give to my elder daughter-in-law Anne, by my second wife Mrs Hannah Kemp, married to Mr Samuel South, six hundred pounds. 3. I give to my second daughter-in-law Mary, married to Mr Mark Holman, six hundred pounds. 4. I give to my two other daughters-in-law, Hannah and Elizabeth Kemp, eight hundred pounds each. 5. I give to Jane Kemp, relict of the late Mr James Kemp, my son-in-law, three hundred pounds. 6. I give to William Mounsey, eldest son of my late sister Janet, two hundred pounds. 7. I give to the two daughters of my said late sister Janet, Elizabeth and Janet, two hundred pounds each. 8. I give to John Mounsey, younger son of my said late sister Janet, four hundred pounds. 9. I give to my only sister Elizabeth, married to John Paterson, younger of Kinharry, in the stewartry of Kirkcudbright, eight hundred pounds. 10. I give the surplus of my estate, if, after payment of my debts, any such shall be, to be equally divided among the said persons, legatees, in proportion to every person's sum hereby bequeathed: all which

sums above given, amounting to six thousand and four hundred pounds, I appoint to be paid by my executor here immediately after named. I do hereby appoint my good friend, Mr Paul Daranda, of London, merchant, to whom I and my family are under very great obligations, sole executor of this my last will; and I do allow him, as my sole executor, one thousand pounds for his care therein, over his expenses with relation hereto. Lastly, I revoke all other wills by me heretofore made. In witness whereof, I have here subscribed my name and put my seal, in Westminster, this first day of July 1718. —William Paterson. Witnesses—Ed. Bagshawe, Hen. Dollan, John Butler.

"Proved in Doctors' Commons, 22d January 1618, o.s."

This last trial was too much for his declining strength.

In early youth he had quitted home under hard persecution; but it sent him forth equal to his struggle of life almost alone.

In manhood, every check in his prosperous career seemed to constitute only a starting-point for higher objects. When impeded, both in the Bank of England and the Orphan Bank, he turned, with extraordinary vigour, to the Darien enterprise. When that was ruined, he applied with equal vigour to the home improvement of Scotland, and to defeat erroneous views of finance. When the Union, so much his work, proved barren to him of

personal benefits, he devoted years to his pen, and with eminent success. It was only now, that, with declining strength, and with an awful ruin full before his eyes, when the vast majority of his followers were stone-blind, that he sank into his grave, crushed, with his late recovered fortune, by Treasury mismanagement, and sick at heart at witnessing the triumph of errors he was unable to check.

Within two years after his death, a reaction occurred in the public mind, without, however, an effort in any quarter to vindicate his memory. Yet his last measure, that of the sinking fund, obtained distinguished success, until his *principles* were deserted; and another one hundred and thirty years were to elapse before those principles should again become the main financial foundations of our policy, as they now mainly are, against much opposition.

Paul Daranda, the executor of his will, and the legatee of a large sum in acknowledgment of his generosity to the testator and his family, requires special notice. He is first met with, in connexion with Mr Paterson, in 1690, when he was a party to the Hampstead Water Company. He was soon afterwards, with his friend, in the direction of the proposed Orphan Fund Bank in London. At that time he was a contributor of so large a sum as £8000 to a loan, when the government greatly wanted money, in the wars of the Revolution. He does not seem to have been in the Bank of England, or the Darien Company; but in 1711 he subscribed £4000 to the stock of the New South Sea Company. He was a merchant in St Swithin's Lane, with a mansion at Putney, well known till within a few years, when it was taken down, and a terrace of houses facing the Thames built on its site, with a smaller street of houses in the garden of the mansion behind. These details respecting the generous friend of Paterson are offered, not so much to elevate his worldly condition, as to meet a complaint that he plundered the other legatees of the estate intrusted to him. No proof whatever has been discovered to justify the imputation; and, in addition to the inference to his credit, from the absence of such proof upon careful inquiry, it is to be considered that, after Paterson's death, Daranda became one of the recorded parties to the erection of the Royal Bank of Scotland in 1727, along with *James Paterson* and other eminent persons—an association not likely, if, during the eight years that had elapsed from the decease of William Paterson in 1719, any scandalous defalcation of the estate had been committed. Certainly the other legatees in Dumfries and London would not have been silent all those years under the alleged wrong.

Paul Daranda's name has a foreign appearance; but he was probably English born. A Puritan minister of the same name is stated, in a history of the Merchant Taylors' School, to have been put into St John's College, Oxford, in Cromwell's time, which would render him a probable parent to the prospe-

rous city merchant who had the merit to be the friend to William Paterson.

If the fame that belongs to a man is to be estimated by the great results of his public services, the time will come when William Paterson shall be again designated "illustrious." The Bank of England is still, what it was early declared to be, an institution eminently useful to the state. The redemption of the National Debt is most judiciously to be distinguished from the national bankruptcies of other countries. The Union of these islands is still a subject of rejoicing to the vast majority of us. Free trade is settled here upon immoveable foundations, and promises to be universal. Mild punishments, and the encouragement of good conduct by well-recompensed industry, were never more favoured. The application of commercial science to secure the economical redemption of the National Debt to the relief of labour, is not to be despaired of, seeing how rapidly errors are daily dispelled. All these valuable social improvements had an enlightened, zealous advocate in Paterson. Above all, the frightful events in India may teach our people that conquests at such cost, are as foolish as they are criminal at any price; and when that happy change shall come over the minds of our countrymen, Paterson's wise rejection of the passing glories of the *Alexanders* and *Cæsars* of the world, will be our guide to a career of peaceful empire and Christian civilisation. In China, at least, we must turn from the evil ways of coercion and conquest, to more and more friendly commerce with its people.

He certainly possessed "*the intense love of nature*" which has contributed to qualify many a Scot for travel, and which his native Dumfries hills would foster. Bruce, Park, and Livingstone, his countrymen, are striking instances of many whom that taste may have stimulated. The last-named eminent man has points of resemblance to the subject of this memoir, who, like him, might have written, "My excursions over the country-side gratified my intense love of nature."*

The making of his will was followed by the hardest of the trials of his much-tried life. His fortune of £18,000, as settled by the generous decision of the king and Parliament in 1715, was reduced to the sum bequeathed to his executor, Paul Daranda, and his young relatives, nephews and nieces, and his step-children. No accounts have been yet collected of his way of life in Westminster; but from the spacious size of his house, it is fairly to be concluded that he had this numerous family much about him. Although he was no stranger to the *club* life of the times, as it has been seen that in Amsterdam, before the Revolution, he frequented the coffee-houses of Amsterdam, and it is briefly recorded in the probate of his will, that it was republished the 3d day of July 1718, at a coffee-

* Dr Livingstone's Travels, p. 5, 1858.

house near Temple Bar; nevertheless, as it is also known that he was so temperate as not only himself to be a water-drinker, but also to be the means of inducing some of his people in Darien to abstain from spirituous liquors, hence he probably lived much at home; and there is a tradition in Westminster, that when the "great calculator" sat over his papers in Queen's Square, in the summer, the boys might play under his open window without his permitting them to be sent away.

To such a man, anxiously making a moderate provision for those dearest to him, the precarious state of that provision, as the Treasury managed it, must have been most painful. Instead of paying the money to the Scots stipulated for by the treaty, and settled in what was called the *Equivalent*, that fund became for many years the subject of vexatious difficulties and legal complications. Government debentures for various amounts were issued to the rightful claimants, and even interest was not secured upon those debentures; consequently, when individuals wished to use them, their value fell, and the unexpected loss became an irritating occasion of discontent. The copy of one of these debentures for £50, with a condition of interest being payable for nine months only, is preserved in the State Paper Office, in a letter from Paterson to the Secretary of State, who had lost the original. Mr Paterson explains, in touching terms, his distress, and his hopes that the government would consider his circumstances. This letter is dated the 18th of December 1718.

The Secretary of State, the deluded Earl of Stanhope, might well be indifferent to William Paterson, and lose his depreciated government debenture. His Lordship was at that moment madly hurrying into the financial gulf which brought unspeakable calamities upon the country, and himself to an awful sudden death. John Law was in the ascendant in France, and the South Sea Company about to follow him; Paterson's firm friends and the Ministers who approved of his financial doctrines, were driven out of office; so that, to his keen eye, it was but too plain that the paper system he had defeated so many years, would now prevail; and thus, to the private griefs of a feeling heart, was added, in his last days, the presentiment of a great public calamity, sometimes unwisely underrated.

He appears to have quitted his house in Queen's Square when he made his will the preceding July, as the entry of it in the parochial books for the two last quarters of that year signify that the tenant is gone away, the dwelling being "empty." He died on the 22d of the next month, January,—where, is not known; but with the reputation of the "great calculator," as he is designated in the obituary of the "Register" of 1718–9. To this term of eulogy, which should have been better estimated at that fatal moment of national delusion, it might have been added, that, in a long life of trial, he had given

abundant proof of possessing the rarest qualities. To unwearied diligence he united the quickest sagacity, and to a sound judgment great powers of persuasion, so that he gained general confidence; and, as in founding the Bank, as well as the Scottish Darien Company, he succeeded in combining, in one great undertaking, powerful men of the most diverse dispositions and nations. His strength of purpose and honour were heroic; his disinterestedness and integrity beyond praise.

If the estimate here formed of the "extraordinary" merits of William Paterson be not a gross exaggeration, the almost total oblivion of the man and his works is a problem deserving solution. The writer of this memoir is strengthened in his own high opinion upon its object, by eminent concurring judgments. Besides Mr Allardyce, a Scottish member of the House of Commons, who expressed such a judgment in a printed address to the Proprietors of the Bank of England, Mr David Laing's favourable opinion has been shewn in the most acceptable support to the present attempt to do justice to Paterson's memory. To these testimonies is to be added, that of the President of the Cheetham Society, Mr Crossley, who early met the announcement of the work with his warm approval. Mr Crossley declared his satisfaction that this "extraordinary man," as he designated him, was at length to take his right place among our great worthies.

His eclipse might probably be traced to the errors

of others on his chief subjects of interest, the ruined Darien settlement, and the disastrous brief triumph of *Lawism*. Both had antecedents, causes, and consequences, never yet properly set forth; although both offer rich materials for inquiry. It is, however, hoped that this sketch of the trials and works of William Paterson, justify the holding him up as a model for the young in their struggles in life, and as a man who deserves universal esteem.

THE END.

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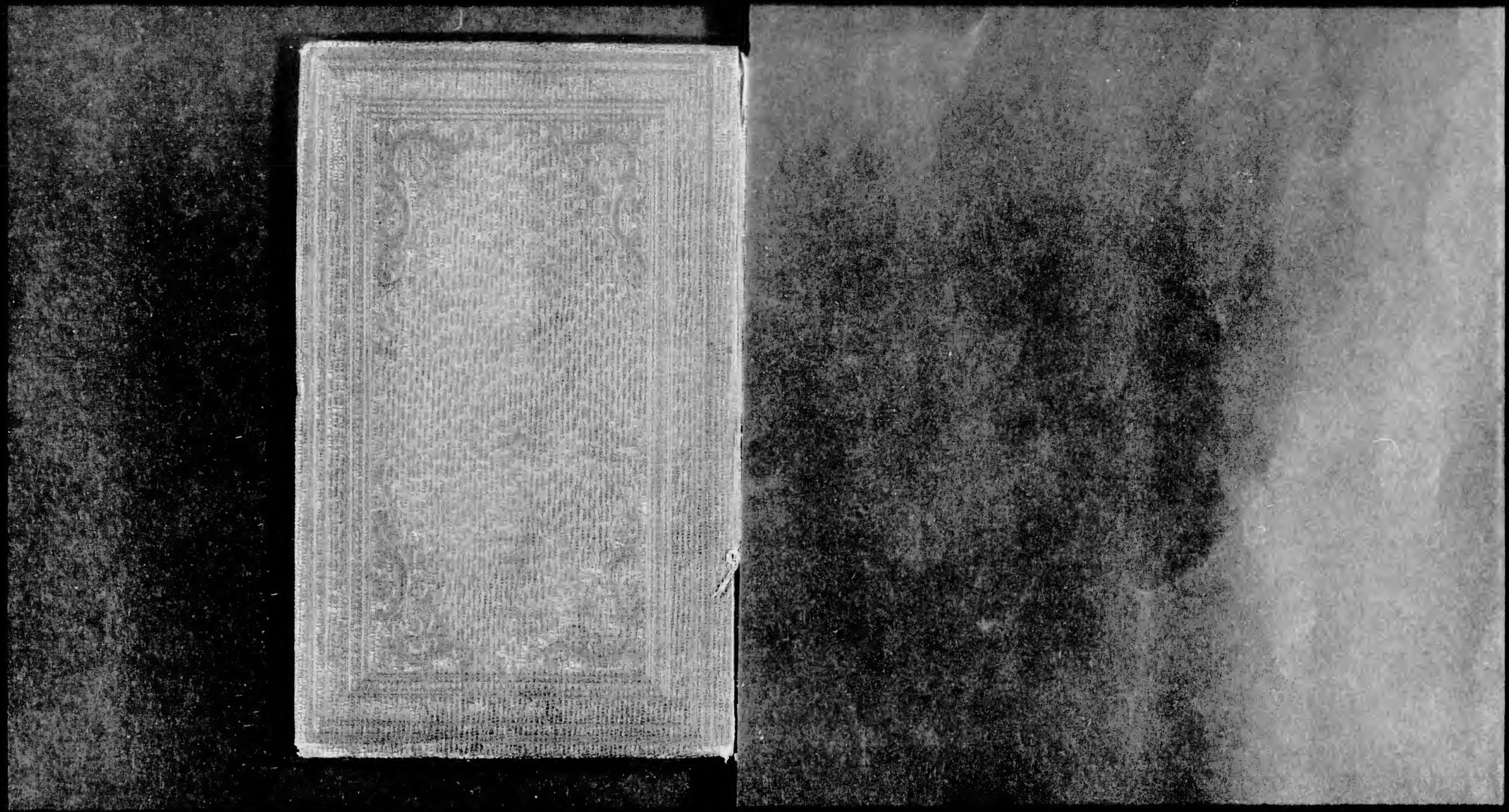
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